



Daily Report

East Asia

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Japan

Mondale Seeks Auto Leaders' Help in Trade Talks

OW2803121295 Tokyo KYODO in English 1157 GMT
28 Mar 95

[FBIS Transcribed Text] Tokyo, March 28 KYODO—U.S. Ambassador Walter Mondale is holding a series of talks with Japanese auto industry executives to request their help toward a breakthrough in the Japan-U.S. auto trade talks in Tokyo, Japanese officials said Tuesday [28 March].

The auto trade talks between the two governments resumed Monday to settle pending issues, especially U.S. access to Japan's replacement parts market.

Mondale met Monday with Yuichi Nakamura, president of Mitsubishi Motors Corp.

He held talks later Tuesday with Masaharu Tanaka, vice president of Toyota Motor Corp., and is due to meet with Yoshifumi Tsuji, president of Nissan Motor Co., on Wednesday.

Mondale met with Nobuhiko Kawamoto, president of Honda Motor Co., earlier this month.

According to Toyota officials, Mondale told Tanaka that he had come to exchange views on problems between Japan and the United States, rather than hold negotiations.

Although the ambassador said the U.S. Government attaches importance to Japanese automakers' plans to buy U.S.-made auto parts, he did not ask for increases in planned purchases, Toyota officials said.

In talks with Nakamura on Monday, Mondale reportedly called for the Mitsubishi president to help resolve pending problems at the auto trade talks.

Mondale's current round of visits is aimed at gaining concessions from Japan at the stalled talks by applying pressure to Japanese automakers, though gently, an executive at one of the makers said.

Tokyo, U.S. Agree on Trade Talks With EU

OW2603234695 Tokyo YOMIURI SHIMBUN in Japanese 24 Mar 95 Morning Edition p 7

[FBIS Translated Text] Japan and the United States have reached a basic agreement to accept a call by the European Union [EU] to hold a tripolar meeting on semiconductor trade, a government source said on 23 March. Agenda and other details will be discussed after the EU officially presents its proposal.

The United States and the EU had already agreed to hold a tripolar semiconductor meeting just before the accord was reached at the Uruguay Round talks (multilateral trade negotiations) at the end of 1993. The United States

initially proposed the meeting on the condition that the EU cut the tariffs on electronic products.

The meeting has been shelved because the semiconductor issue did not develop into a big trade dispute, but the EU recently requested it.

U.S. To Advise Tokyo on Crisis Management

OW2703090795 Tokyo KYODO in English 0808 GMT
27 Mar 95

[FBIS Transcribed Text] Tokyo, March 27 KYODO—A group of five U.S. officials will visit Japan in early April to discuss with Japanese officials the securing of reliable means of communication during such emergency situations as earthquakes, the Posts and Telecommunications Ministry said Monday [27 March].

During their six-day stay in Japan from April 2, the officials from the U.S. National Communications System (NCS) will participate in part of a forum set up by the ministry to study communication networks capable of withstanding major earthquakes.

Deputy NCS Manager Robert Marquette and his group will also visit Kobe and its environs to observe the damage caused by the Jan. 17 great Hanshin earthquake.

The NCS, an organization of the U.S. National Security Council, coordinates state telecommunication operators and private-sector communication systems to secure communication links for fire fighting, police and other public services during emergencies.

The study forum is a private advisory panel to the director general of the ministry's Telecommunications Bureau, established in the wake of the Kobe quake.

Editorial: 'Don't Leave the Past in Ambiguity'

OW2803081595 Tokyo MAINICHI SHIMBUN in Japanese 15 Mar 95 Morning Edition p 5

[Editorial: "Don't Leave the Past in Ambiguity"]

[FBIS Translated Text] A speech by Yohei Kono, deputy prime minister and foreign minister, proposing a "friendly handshake in the serene realm beyond love and hate" was read by a Ministry of Foreign Affairs official. This was done at the Japan-U.S. joint ceremonies to honor the war dead at Iwo Jima on 14 March, the day marking the 50th year since the conclusion of the battle on that island.

With regard to his speech, we are uncomfortable on two points. One is that the speech was "read" by someone else. About 20,000 Japanese and about 7,000 Americans were killed, and a total of 22,000 were wounded in the battle of this Iwo Jima. It was indeed a fierce battle in every sense, and almost all Japanese officers and men there died in it. We are disconsolate that the speech to mourn their souls was read by someone else.

The second point is that the speech was so cut and dried. Altogether it did not contain more than 500 words. It was only a list of unorganized expressions like "a period of misfortune," "a sorrowful rupture," and "the serene realm beyond love and hate" in reference to relations between Japan and the United States. We assume the foreign minister himself has memories of woeful sorrows, but such feelings were not conveyed in the speech at all.

While 50 years have passed since the end of war, our feeling is that the government is still uncertain on the question of how to interpret the history from the Japan-Sino war to the Pacific war. One example of this is the fact that the ruling coalition parties are unable to agree on the issue of passing a resolution to renounce war at the Diet. After all, it is a government supported by a party that even tried to delete from the Diet's minutes remarks by a Japan Communist Party member who stated at the Diet that war victims in Asian countries numbered "20 million." It may be only natural that the government cannot decide on its stand or that the foreign minister's speech inevitably becomes cut and dried.

It is often pointed out that the Japanese are trying to say they are victims of the war, forgetting they were assailants. Such criticism was heard as well during the debate in America on a museum's exhibition on the atomic bombing of Japan.

The DPRK (North Korea) is said to have spoken in the United Nations recently against deleting the "enemy nation clause" from the UN Charter, saying that action "would justify Japan's act of trying to beautify its aggressions and crimes." Views on this stand can vary; it may be true, however, that not only Asians but a substantial segment of other people are critical of Japan not having squarely faced up to the past.

We can understand acutely the resistance of the bereaved family members who feel: "How can we accept the story that the Japanese were the aggressors and they died for nothing?" It would simply be impossible to persuade them to drop such thinking however hard we may try. But the fact remains that while sacrificing lives for the country was considered honorable, the war was very cruel and their death was very tragic. If one can admit that, it becomes necessary to look deeply into the cause of the war and ask about the whereabouts of the responsibility. That should be a way to answer those who died in the war.

Some people say: "We have caused the Asians a great deal of trouble. But the war with the United States and other countries can be said to have been a war waged among fellow imperialist countries." This view, which was fashionable among commentators 30 years ago, has returned recently and is circulating in the Diet. But, after all, if there had been no invasion of China, there would have been no Pacific war. For the Southeast Asian

countries that were made the battleground, this was far worse than the trouble that was caused for them.

From now to the hot days of summer, there will be a series of events to think about the 50 years since the end of war. If the government tries to get by each of the events by taking an ambiguous and abstract stand, without looking squarely back at the past, it will come to buy sneers, contempt, and wrath.

We are willing to be ashamed of the past, but are not willing to be ashamed in the future. We look forward to hearing words that strike deep into our hearts next time.

Toyota Expands Imports of Autos Built in U.S.

952A0410A Tokyo *NIHON KOGYO SHIMBUN* in Japanese 8 Feb 95 p 1

[FBIS Translated Text] Toyota Motor will expand imports of automobiles produced overseas in 1995 to 22,000 units per year or 2.3 times the quantity of the previous year. In addition to expanding sales quantities of two model types (wagon and coupe) of the luxury passenger car "Scepter" manufactured in its United States plant to 10,000 units—a 5.3 percent increase over the previous year—it aims to sell 12,000 units within the year of its U.S.-made luxury passenger car "Avalon" that will be newly introduced into the domestic market beginning in May 1995. Because Toyota's plan to expand imports of automobiles produced overseas will go hand in hand with U.S. encouragement of exports to Japan, it will likely become a favorable factor in supporting the reduction of the trade surplus in the automobile field which has become the focus of economic friction between Japan and the United States.

Toyota's actual imports of automobiles produced overseas in 1994 was 9,500 units per year of both "Scepter" types that are being produced at the Kentucky plant (TMM) in the United States. After beginning sales of imports in August 1992, it launched a moderately priced version with a displacement of 2,200cc and a vehicle price at the lower end of the 2 million yen level and, subsequent to that, imports increased 21.3 percent over the previous year, assisted by the station wagon boom.

This year, it is planning a substantial expansion of imports of cars produced overseas by the introduction into the market of the TMM-made "Avalon" (with a displacement of 3,000cc) that will be imported and sold beginning in May as a type to be monopolized by the Toyopet stores.

That store, due to the fact that its main sales model, the "Mark II," is nearing the end of its model life, is anticipating increased sales of the new luxury car with high profitability, and according to a Toyota executive, "monthly sales are expected to be at the 3,000 unit level at start-up."

Unit sales of the Avalon are estimated to approach approximately 12,000 units in approximately the six

months of this first fiscal year, but expectations are that next year, after its contribution through a period of one year, sales will increase to about 22,000 units. For this reason, it appears that the import sales of foreign-made cars in 1996 will increase another 50 percent and exceed 30,000 units.

Toyota embarked on the promotion of exports from its U.S. plant in an international cooperation program announced in the spring of last year, and part of that is the expansion of imports of U.S.-made cars to Japan. Although Toyota is planning a 10-percent increase over the previous year of 2.24 million units in domestic new car sales this year, about 1 percent of that will end up being composed of U.S.-made cars.

Also, besides its own foreign-manufactured cars, Toyota is not only selling imports of 19,000 units per year (1994 results) of the German Volkswagen (VW) but plans to sell 20,000 units per year of U.S. GM cars beginning in January of next year.

Toyota's total imported car sales quantity for 1996 when it will be joined by GM cars will exceed 80,000 units annually, opening the possibility that it will take first place in sales of imported cars in Japan.

Mission 'May Consider' Rice Aid for DPRK

*OW2703141695 Tokyo KYODO in English 1327 GMT
27 Mar 95*

[FBIS Transcribed Text] Tokyo, March 27 KYODO—Leaders of a mission of the ruling coalition to visit North Korea said Monday [27 March] they may consider offering rice to the country if Pyongyang makes such a request during their visit.

Former Foreign Minister Michio Watanabe from the Liberal Democratic Party, who will lead the three-party mission, said, "It would be difficult for the Murayama administration, which advocates being a 'kind government,' to flatly refuse if North Korea made the request."

Wataru Kubo, secretary general of the Social Democratic Party [Social Democratic Party of Japan], who will also participate in the joint mission, said the issue is not appropriate for Japan to suggest on its own initiative.

However, Kubo said if the issue became a topic in a meeting with North Korean officials, he would like to "listen to their situation and to discuss how far political parties can commit on the issue."

Informed sources indicated earlier that Pyongyang may ask Japan to supply North Korea with rice to help alleviate a food shortage when the Japanese coalition mission visits the country.

In the meantime, a South Korean politician on Monday called on Japan to act carefully on the rice issue.

Kim Yun-hwan, president of the (South) Korea-Japan Parliamentarian's Union, said South Korean people would have an "uneasy feeling" if Japan offered rice aid to North Korea.

Kim made the remark when he and South Korean Ambassador to Japan Kim Tae-chi visited several former Japanese prime ministers.

North Korea earlier rejected an offer by South Korea to provide rice.

In a related development, Vice Foreign Minister Kuni-hiko Saito told a press conference the same day that it is difficult for Japan to extend economic cooperation to a country with which it has no diplomatic ties.

He declined to comment, however, on how the mission should respond if Pyongyang asks for rice, saying it is up to the ruling parties.

The joint mission by the three ruling coalition parties will leave for Pyongyang on Tuesday for a three-day visit in a bid to break a deadlock over bilateral relations.

Arrives in Pyongyang

*OW2803042595 Tokyo KYODO in English 0343 GMT
28 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 28 KYODO—A delegation from Japan's ruling coalition, headed by former Foreign Minister Michio Watanabe of the Liberal Democratic Party, arrived in Pyongyang Tuesday [28 March] noon by a special chartered flight.

The 11-member delegation plans to sound out ways to resume normalization talks between Tokyo and Pyongyang, which were suspended in November 1992 after Japan requested information about a Japanese woman who was allegedly abducted to North Korea.

Firms Raise Prices To Cope With Strong Yen

*OW2803075295 Tokyo NIHON KEIZAI SHIMBUN in
Japanese 26 Mar 95 Morning Edition p 3*

[FBIS Translated Text] In response to the rapid appreciation of the yen and depreciation of the dollar since early March, some companies have started to raise the prices of their exports (in dollars).

As early as 8 March, when the dollar went below 90 yen—to 88.75 yen to a dollar—at the Tokyo market for the first time, Kyocera Corporation decided to increase its export prices by 10 percent across the board.

On 9 March, Nippon Steel Corporation, Kawasaki Steel Corporation, and other steel makers announced a price increase of 8 to 15 percent from April for their April-to-June shipment of ordinary steel and May-to-July shipment of stainless steel bound for Asia.

Among the electric machinery companies, Sharp Corporation says that it is "considering a price increase of all export products, including liquid crystals" (according to Vice President Katsura).

At this point, however, only industries that are enjoying increased demand in overseas markets and companies

with overwhelming competitiveness in the world market have announced export price increases. Kyocera could increase its prices only because its IC [integrated circuit] packages and electronic components are highly competitive. The steel makers, likewise, were able to raise prices because the demand for steel exceeds the supply in booming Asian economies. Sharp also enjoys a 45-percent share of the liquid crystal market. Only companies that are "blessed with an environment where exchange rate differences can be covered by price increases" can hike prices (according to Sumitomo Metal Industries, Ltd.)

Japanese companies have endured the sporadic appreciation of the yen since 1993 with reduced profits and drastic cost cutting. According to the export commodity price index (1992 average taken as the base figure 100) issued by the Bank of Japan, the increase in the price index from January 1993 to February 1995 on a contract currency basis was merely 6.3 points, while the yen appreciated more than 20 percent against the dollar during this period. Looking at the figure for February 1994 to February 1995, the increase was even smaller—1.7 points.

On the other hand, the export price index on a yen basis fell significantly. While the figure was 89.6 for January 1993, this fell to 80.8 in February 1995, representing a drop of 8.8 points in the export price index. This shows that the portion of yen appreciation that could not be absorbed elsewhere has been directly reflected in a decrease in corporate income.

The reasons why yen appreciation cannot be remedied with an export price increase include the "recovery" of U.S. companies and growing international competition due to the catching up of the NIE's [newly industrialized economies] countries and territories. This is faithfully reflected in the export price trends of industries where the ROK and Taiwan have rapidly caught up with Japan, such as electric machinery. The export price index for electric machinery on a contract currency basis dropped by 2.2 points last year. Even precision machinery, where Japan is said to have an advantage, was not an exception. Last year recorded a decrease of 2.8 points, similar to electric machinery.

The reason why Japanese companies are at the mercy of "dollar depreciation" is because a significant proportion of its exports is dollar-denominated. According to the Ministry of International Trade and Industry's [MITI] survey of export-import settlement currency trends, 48.3 percent of exports are priced in dollars.

To avoid being affected by yen appreciation, it is necessary to switch from dollars to yen in export pricing. However, this will mean a virtual price increase. Amid intensifying international competition, a price increase will undermine competitiveness.

On the other hand, if the differential arising from yen appreciation is not absorbed, "Japan may be criticized for dumping." (according to Kyocera Chairman Kazuo Inamori)

A price increase means losing international competitiveness, while maintaining old prices may invite accusations of dumping. Japanese companies are faced with this dreadful dilemma under the situation of a strong yen.

Even companies that have announced price increases are not overjoyed because they may now face pressure from domestic customers to reduce prices.

The consensus in government and private sectors on yen appreciation is that "a strong yen that does not reflect actual economic conditions will not last long." (according to a senior MITI official) However, despite such hopeful predictions, the yen continues to appreciate. Japanese companies are expected to face the dilemma of yen appreciation once again.

MITI Assists Firms Affected by Strong Yen

OW2803044295 Tokyo KYODO in English 0434 GMT
28 Mar 95

[FBIS Transcribed Text] Tokyo, March 28 KYODO—The Ministry of International Trade and Industry (MITI) on Tuesday [28 March] formulated an emergency package to assist small companies struggling under the yen's recent rapid appreciation against the dollar.

The six-point package is basically in line with last week's accords reached by MITI Chief Ryutaro Hashimoto and four other cabinet ministers in charge of economic affairs, as a way to help small companies, especially export-oriented firms, combat the strong yen.

At Tuesday's cabinet meeting, where the steps were put forward, MITI Chief Hashimoto said, "The present rapid and speculative-led yen rises are feared to have serious effects on small- and medium-sized companies."

"With the latest round of yen rises, the prospect has become more uncertain for an economic recovery of small firms, which are now dragging on," he said.

The new package features the extension of two economic programs beyond their March-end expiration—one to lend operating funds for ailing small firms and the other to offer emergency loans to help them overcome the strong yen.

These measures are designed to secure a smooth supply of funds for small companies facing a cash shortage due to the strong yen, MITI said.

MITI said that, for eligible firms, it will also extend the current easier requirements for increased credit guarantees in the event of bankruptcy, for an additional three months beyond the end of March.

The package includes an emergency study to evaluate the strong yen's effects on small companies. The study, to be launched this month, will be compiled by mid-April, MITI said.

MITI said the ministry and its Small and Medium Enterprise Agency will create special counters to hear opinions and advice from affected small companies.

Under the package, MITI will instruct major corporations to refrain from slashing deals with subcontractors due to the strong yen.

It will also ask prefectural governments to assist small companies in winning new orders.

The package also calls for active use by local governments of a temporary law designed to help economic restructuring of small companies.

The package urges enforcement by mid-April of a recently enacted law for stimulating the creation of new business by small companies.

Tetsuo Nakata, chief of the Small and Medium Enterprise Agency, said all these measures are intended to help struggling small companies tide over a budgetary vacuum period from March to April.

The steps will be basically financed under the fiscal 1995 national budget, enacted last week, Nakata said.

Whether or not they will be also covered under an extra budget for fiscal 1995 depends on results of the ongoing MITI study, he said.

Editorial Views Frontloading Deregulation Plan

OW2803041995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Mar 95 Morning Edition p 2

[Editorial: "Frontload the Mid-Term Deregulation Program"]

[FBIS Translated Text] The issue of deregulation is like an "unmovable mountain." That is the impression of a private sector expert who has been involved with the government's deregulation efforts since the creation of the Ad Hoc Council on the Promotion of Administrative Reform. Despite the general clamor for deregulation, the total number of government licenses and certifications remains to be over 10,000.

The government's formulation of a five-year program to promote deregulation is now at a critical stage. The "interim report" on deregulation measures announced by the ministries and agencies on 10 March was seen as insubstantial, and came under criticism from both the business sector and foreign countries.

We would like to discuss here, once again, the significance of deregulation, effective methods for promoting deregulation, and what the program should include, before the government's final report is compiled by the end of March.

What Japan needs right now is a change in its economic and social structures. Relaxation of regulations is indispensable for correcting the domestic-overseas price gap in order to enrich the livelihood, for revitalizing the

economy by generating effective demand, and for reducing the economic burden under an aging society through the effective use of economic resources, including human resources.

In the process of compiling the deregulation promotion program, comprehensive discussions should be conducted on the following issues. First, concerning the basic approach: 1) Measures included in the program should be frontloaded; 2) regulations for adjusting demand and supply should be completely scrapped; 3) the so-called "sunset" method [setting a fixed period of validity] should be adopted in the introduction of new regulations; 4) implementation should be monitored and supervised by a third-party body; and 5) an open administration system should be established along with deregulation efforts.

No Need for Adjustment of Demand and Supply

Regarding the first point, frontloading of the program, the deregulation plan should be shortened to three years. No radical deregulation can be achieved by spending as much as five years to "review" and "deliberate on" the fine print composed by bureaucrats. The industrial sectors are in an extremely serious situation compared to two or three years ago, and the whole situation is repressive. With the rapid appreciation of the yen and depreciation of the dollar, there is a growing belief that "a five year program will be too slow." Deregulation to expand business opportunities is an urgent task.

Second, abolition of regulations being implemented for demand-supply adjustment on participation, equipment, imports, and pricing. This should not only involve relaxation of specific regulations. Without forceful and sweeping implementation of deregulation, it will be quite impossible to cross the barriers erected by each government ministry and agency. The concept that the economy should be "free in principle, and regulated only in exceptional cases" should be clearly upheld as the basic principle of this program.

Third, a fixed period of validity should be set for all new regulations—the so-called "sunset" method should be adopted. Social regulations should also be limited to the minimum required by their original purpose.

Fourth, creating a third-party body (with a term of three years) to monitor and supervise the implementation of deregulation. This body should be composed mainly of private sector representatives. It should cover all aspects of deregulation, conduct a regular examination and assessment of the progress in deregulation, and publish the results of its assessment.

In connection with the fourth point, the fifth issue, the building of an open administration system, should be undertaken. The systems relating to administrative procedures, administrative information disclosure, and other relevant institutions should be improved, and fair

and transparent procedures for granting licenses and certifications should be established.

In the government's draft deregulation program, around 1,000 items are enumerated, including: Introducing the bidding method in the assignment of radiowave frequencies, abolishing licenses for the export of used cars, abolishing the certificate for new cars for exports, and reviewing the Large Retail Store Law. However, these additional items alone do not constitute a radical review of regulations.

Effective deregulation measures to revitalize the economy and to improve the quality of life—in terms of financial services and securities, distribution, and employment—are necessary. To cite a few concrete examples: 1) Abolishing the license system for securities businesses; 2) reform of the securities listing system; 3) expansion of business activities of subsidiaries of banks and securities firms; 4) gradual abolition of the Large Retail Store Law; 5) review of the agricultural products price support system, including its abolition in the future; 6) review the system of assessment and approval of passenger railway fares and charges; and 7) expansion of the scope of business operations of temporary personnel services.

Due to the licensing system, participation in the securities business is, in fact, regulated, and the whole business sector is placed under the strict guidance and supervision of the Ministry of Finance. Strict regulations are also imposed on the development of new services and participation in new businesses. If institutional protection is continued indefinitely, the securities market will lose its competitiveness, and will, therefore, degenerate. The licensing system should be abolished.

In the industrial sector, in order to develop venture businesses with growth potential and research and development-oriented companies, the threshold for listing securities on the stock market should be lowered, and restrictions on the number of listed companies should be abolished. We hope the securities sector will rush its efforts to consider special rules (for the creation of a new market) on listing requirements. Regarding the financial system, securities firms that are subsidiaries of banks should expand their business operations to stocks, while banks that are subsidiaries of securities firms should also be allowed to engage in the banking business.

Distribution and Transportation Need Reform

Through the abolition of the Large Retail Store Law, the distribution sector will be able to promote competition in such commodities as sports goods and cosmetics—where there is a wide gap between domestic and foreign prices—through the participation of foreign capital, and steps can be taken to search for a more efficient distribution mechanism. From the standpoint of consumer interests, the Large Retail Store Law should be abolished gradually.

In relation to agriculture, the major remaining regulations concern the agricultural products price support system, under which the government makes purchases at times when prices are low, to prevent a drastic fall in prices. A product-by-product review should be made. In the United States, pricing is left to the market mechanism. The government adopts the "deficit payment method," in which the government pays for the differential with market prices when farmers' income falls below a certain level due to low prices. Consumers are able to buy agricultural products at market prices, while producers are also guaranteed a certain level of income. Improvements such as this can be made while the system is being reviewed, with the possibility of doing away with the system altogether in the future.

At present, passenger railway fares and charges are assessed and approved by the Ministry of Transport based on the principle of passengers bearing the full cost and an assessment of comprehensive production cost. The truck transportation business is regulated by numerous rules, including those limiting operation areas and total tonnage, and prescribing a short car inspection period. Sweeping deregulation is needed in this sector.

At present, temporary personnel services can offer only 16 types of services, except in the case of personnel over 60 years of age. Under changing and diversifying conditions of employment, there is a need to actively expand business operations. This business sector holds that "business should be free in principle." While deregulation with regard to the direct production process will probably meet strong opposition from the labor unions, lifting of restrictions concerning the design-related sectors, the production and editing of publications, legal affairs, research and development, nursing services and other areas should be considered.

The present administration stakes its fate on administrative reform, and it has upheld deregulation as a main component of such reform. In the promotion of deregulation, strong leadership is required. We hope the government will come up with a deregulation program that meets domestic and foreign demands, including those mentioned above.

Tokyo To Ease Ban on Holding Company

*OW2803040195 Tokyo KYODO in English 0334 GMT
28 Mar 95*

[FBIS Transcribed Text] Tokyo, March 28 KYODO—Japan took a step toward easing its ban on stock holding companies Tuesday [28 March], deciding to publicly promise a decision on the issue in three years' time, government sources said.

Promising a decision on the ban in a government deregulation package represents a compromise between the Ministry of International Trade and Industry (MITI) and business groups, which want the ban lifted, and the Fair Trade Commission, which fears antitrust problems, the sources said.

The five-year deregulation package, due Friday, will say the government "will begin consideration on the issue of stock holding companies from the viewpoints of market liberalization and revitalizing business activities, and will receive a conclusion within three years," they said.

But it will include a condition that any easing must take care to avoid too great a concentration of corporate control in a single group, the sources said.

The compromise came after MITI and the commission, Japan's antitrust watchdog, failed to agree on the issue at a Monday cabinet meeting, the sources said.

The business community wants to allow holding companies, which are common in Western countries, while the commission worries that lifting the antimonopoly law restriction on holding companies could strengthen the system of "keiretsu" corporate groupings, which are based on interlocking shareholdings. Domestic and foreign critics say the keiretsu effectively lock out competition.

Ministry's Fiscal, Monetary Policy Endorsed

*OW2803031295 Tokyo KYODO in English 0259 GMT
28 Mar 95*

[FBIS Transcribed Text] Tokyo, March 28 KYODO—Finance Minister Masayoshi Takemura said Tuesday [28 March] the cabinet unanimously backs his ministry's short-term fiscal and monetary policy announced Monday to combat the yen's rapid gains and tumbling stock prices.

Takemura said at a press conference after a regular cabinet meeting, "I reported the policy to the cabinet and got unanimous approval."

On Monday, Takemura unveiled the policy at an emergency news conference, expressing determination to take "agile and flexible" credit policy measures, including submitting a supplementary fiscal 1995 budget to the Diet by mid-June to finance reconstruction after the Kobe earthquake.

Takemura indirectly urged the Bank of Japan to reduce its key lending rate to prevent the yen's surge against the dollar from adversely affecting the economy. "The ministry has already conveyed its monetary stance to the BOJ...Although the central bank is exclusively in charge of what to do with its key rate," he told Monday's news conference.

He also said the government will take effective and timely action in the currency market to prevent the strong yen and drops in stock prices from adversely affecting the economy.

Concerning Tuesday's cabinet meeting, Takemura said some cabinet members called for measures to pass on benefits of the strong yen to the people.

One minister mentioned the official discount rate, Takemura said, though declining to unveil who said what on the issue, which he said is under exclusive jurisdiction of the Bank of Japan.

Asked about the possibility of international cooperation on interest rates, Takemura only said, "We are continuing talks through everyday contact."

Concerning reports that three banks in western Japan are set to report losses in the current business year ending March 31 after liquidating 11 affiliated debt-ridden nonbanks, Takemura declined to make any substantial comment.

Asked about the possibility of affiliated firms disposing in the same manner of housing loan companies which are also burdened with huge amounts of bad loans, Takemura said that situation should not be judged on the same basis.

Takemura said the ministry has been carefully monitoring the housing loan companies, which he said are making efforts in line with their respective reconstruction plans.

Regarding reports about golf junkets by Finance Ministry mandarins at the invitation of the scandal-tainted former president of Tokyo Kyowa Credit Association, Takemura said a disciplinary panel in the ministry will verify the truth, inviting an outside lawyer as an adviser.

Further on Cabinet Endorsement

*OW2803033095 Tokyo KYODO in English 0324 GMT
28 Mar 95*

[FBIS Transcribed Text] Tokyo, March 28 KYODO—Cabinet ministers agreed Tuesday [28 March] on the need to return the positive effects of the rising yen to consumers and front-load some major public works projects so as to help get the Japanese economy steadily back on track, a government spokesman said.

At an informal cabinet talk, the ministers gave the green light to the short-term fiscal and monetary policy announced Monday by Finance Minister Masayoshi Takemura that envisions an early compilation of a supplementary budget for fiscal 1995, Chief Cabinet Secretary Kozo Igarashi said at a news conference.

They shared the view that the government should take necessary steps to jump-start the flagging economy, though recovery signs are slowly emerging on a broad front, Igarashi said.

Specifically, the cabinet ministers saw eye to eye on the necessity to show the merits of the soaring yen such as the fall in prices.

Economic Planning Agency (EPA) Chief Masahiko Komura told the cabinet session that he has already instructed his agency staff to map out a strategy for

returning to consumers benefits of the yen's steep surge against the U.S. dollar and other major currencies.

He was also quoted as saying the EPA will soon come up with a report on the positive effects of the yen's sharp appreciation on the Japanese economy.

The ministers also agreed on the need to consider implementing some major public works projects earlier than originally scheduled.

Igarashi said the ministers did not specifically discuss whether the Bank of Japan should lower its official discount rate to arrest the yen's unabated strength and the resultant dampening effects on economic recovery.

"This is a fairly delicate matter. Excuse me for not commenting on a possible rate reduction," he said.

On Monday, Finance Minister Takemura indirectly asked the central bank to cut its key lending rate from the already all-time low of 1.75 percent per annum so as to prevent the yen's ascent from adversely affecting the economy.

BOJ Cautious on Reducing Key Lending Rate

OW2703160095 Tokyo KYODO in English 1522 GMT 27 Mar 95

[FBIS Transcribed Excerpt] Tokyo, March 27 KYODO—The Finance Ministry indirectly asked the Bank of Japan (BOJ) on Monday [27 March] to reduce its key lending rate to prevent the yen's unabated surge against the dollar from adversely affecting the economy, while the central bank remains cautious.

Finance Minister Masayoshi Takemura said at an emergency news conference, "The ministry has already conveyed its monetary stance to the BOJ...Although the central bank is exclusively in charge of what to do with its key rate."

Announcing a short-term fiscal and monetary policy, apparently in response to growing calls for stronger measures to arrest the yen's further gains, Takemura said, "I want you to understand the meaning of our expression at this time over the policy. The BOJ will make a decision." [passage omitted]

Meanwhile, the BOJ reiterated that its monetary stance will depend on economic developments.

The central bank official said, "It is premature to judge whether the yen's appreciation will have a positive or negative impact on the whole economy," adding that major exporters may not suffer serious damage for some time because of brisk overseas economies.

Yet, some viewed it is a turning point for continued moderate economic recovery amid the yen's quick surges and tumbling stock prices in the wake of the great Hanshin earthquake.

The central bank is now analyzing possible effects of lower prices following the yen's gains against the dollar on corporate earnings and employment, bank officials said. [passage omitted]

As currency policy, the policy paper said the government will take effective action in a timely manner on foreign exchange markets by keeping contact with currency authorities of major nations to counter recent exchange rate developments that do not correctly reflect economic fundamentals.

Takemura said although the wording is standard, the government is determined to make further efforts.

At the upcoming meeting of financial officials from the Group of Seven (G-7) major industrialized nations in late April, the Finance Ministry intends to strengthen policy coordination to stabilize foreign exchange rates with the U.S. and European countries by explaining the Japanese Government's policy of expanding domestic demand, ministry officials said.

However, it is still uncertain that the G-7 nations will agree on monetary policy coordination, considering the U.S. is cautious about tightening its monetary grip in the wake of a currency crisis in Mexico and Germany is unlikely to ease its credit stance in fear of inflation, the officials said.

Hashimoto on Higher Dividend for Stock Market

OW2803031495 Tokyo KYODO in English 0245 GMT 28 Mar 95

[FBIS Transcribed Text] Tokyo, March 28 KYODO—International Trade and Industry Minister Ryutaro Hashimoto on Tuesday [28 March] proposed raising the dividend payout ratio and cutting brokerage commissions, as ways to spur the long-flagging stock market.

"It is necessary for the government to forge ways to get general investors back to the stock market," Hashimoto told a news conference.

The comment came in response to the recent unabated acceleration in the yen's value against the dollar, the effects of which, he said, are spilling over to other economic fronts, such as the stock market.

"The investor mind has been cooled due to the slumping stock market," Hashimoto said.

The dividend payout ratio is the percentage of net profit paid to shareholders in the form of a dividend.

Such ratios, relatively lower in Japan than in other major countries, are seen as reducing the appeal of stock investment in this country.

Concerning brokerage commissions, there are growing calls for a cut in the rates pertaining to large-lot investment.

In an overall assessment of the Japanese economy, Hashimoto said, "It is true that the economy is recovering moderately, but the situation has turned serious since March 8."

The dollar slipped below 89 yen for the first time on March 8 and since then has hit new global record lows several times.

"The seriousness keeps increasing, especially at small firms in regional areas," Hashimoto said, underscoring the need for monetary authorities to make further efforts to improve the situation.

The Ministry of International Trade and Industry on Tuesday worked out a six-point package to assist small export-oriented companies which are ailing because of the yen's continuing surge.

BOJ Urged To Cut Official Discount Rate

*OW2803041395 Tokyo KYODO in English 0342 GMT
28 Mar 95*

[FBIS Transcribed Text] Tokyo, March 28 KYODO—Transport Minister Shizuka Kamei appealed Tuesday [28 March] to the Bank of Japan to lower its key lending rate to tame the soaring yen.

The central bank "should hand down a decision to lower the official discount rate," the minister told a news conference after a cabinet meeting.

Kamei said the central bank should cut the base rate "without losing the appropriate timing."

The official discount rate is currently at a historic low of 1.75 percent per annum.

Kamei went on to say that an official discount rate cut by Japan alone would not be enough to arrest the dollar's slide against the yen.

He urged the Japanese financial authorities to devise countermeasures against the rising yen "multilaterally, including through talks with the United States."

Japan should pass on the benefits of the higher yen to consumers and bring forward the timing of disbursements of the fiscal 1995 state budget to prevent the yen from appreciating even further against the dollar, he added.

But Posts and Telecommunications Minister Shun Oide opposed the suggested rate cut.

"The current level of the official discount rate is already at a historic low," Oide told other ministers at a gathering that followed the cabinet meeting.

"If the central bank lowers the rate further, it will adversely affect the elderly who are living on interest income" from savings, he said.

"Careful consideration is required as to why" the rate may have to be cut, he said.

Oide later told reporters, "My opinion is that the official discount rate should not be lowered."

Tax Incentives To Boost Foreign Investment

*OW2803051795 Tokyo KYODO in English 1353 GMT
28 Mar 95*

[FBIS Transcribed Text] Tokyo, March 28 KYODO—The government on Tuesday [28 March] approved a measure to expand the scope of foreign investments which are subject to tax incentives and other special treatment.

An ordinance covering a temporary law for stimulating imports and foreign investment will be revised for enforcement from April 1 this year, said the Ministry of International Trade and Industry (MITI), an organ which supervises the ordinance.

At present, special measures for foreign investment, such as tax incentives and debt guarantees using industrial infrastructure funds, are accorded only to manufacturers and their sales agents.

The latest step will cover such foreign businesses as wholesalers, retailers and services companies, MITI said.

13 Nations To Receive Preferential Duties

*OW2803063695 Tokyo KYODO in English 0616 GMT
28 Mar 95*

[FBIS Transcribed Text] Tokyo, March 28 KYODO—The Japanese Government said Tuesday [28 March] it has designated 10 former Soviet republics and three other nations as new recipients of Japan's preferential duties.

The 10 former Soviet republics named by the Ministry of International Trade and Industry (MITI) are Ukraine, Armenia, Belarus, Moldova, Georgia, Kazakhstan, Turkmenistan, Estonia, Latvia and Lithuania.

The three other countries are Macedonia, Albania and South Africa, MITI said.

Preferential tariffs for the 13 countries, approved at Tuesday's cabinet meeting, will take effect April 1, MITI said.

Four conditions need to be met to become a recipient of Japan's preferential tariffs include being a developing country and having membership of the UN Conference on Trade and Development.

Mitsubishi Bank, BOT To Merge in Apr

*OW2803062095 Tokyo KYODO in English 0612 GMT
28 Mar 95*

[FBIS Transcribed Text] Tokyo, March 28 KYODO—The Bank of Tokyo and Mitsubishi Bank have agreed in principle to merge in October to form the world's largest banking institution, bank sources reported Tuesday [28 March]. The sources said the new institution will have

about 72 trillion yen worth of assets and deposits totaling 52 trillion yen, both the world's largest.

After the merger, the new bank will have its headquarters at Mitsubishi's head office in Tokyo and the Bank of Tokyo will be disbanded, they said. They said the two banks will soon set up a joint committee to prepare for the merger.

Mitsubishi Bank is strong in commercial banking while the Bank of Tokyo is a leading foreign exchange bank, excelling in international financing.

The sources said the merger is designed to strengthen their business foundations to cope with liberalization of the financial market. The Tokyo Stock Exchange suspended trading in stocks of the two banks soon after reports of their merger hit the market. The Nikkei average of 225 selected issues jumped more than 250 points soon after the news was circulated by the mass media.

The proposed merger will be the first amalgamation of major commercial banks since 1991 when Kyowa Bank and Saitama Bank joined to form a single bank.

Commercial Banks Vie for Branches in Beijing

OW2703143595 Tokyo KYODO in English 1259 GMT 27 Mar 95

[FBIS Transcribed Text] Tokyo, March 27 KYODO—Japanese commercial banks are vying to open their first branch offices in Beijing, but the competition is certain to be stiff, with China expected to allow only three banks from Japan to set up branches, industry sources said Monday [27 March].

The most likely bank to set up its first office is the Bank of Tokyo, which has a long business relationship with China, according to the sources. The Industrial Bank of Japan and Sanwa Bank are also seen to be among the likely first candidates, they said.

Other banks, such as Dai-ichi Kangyo Bank, are also seeking to set up shop, and competition could become fierce as there is little chance of China allowing more than three, the sources say.

In line with its liberalization policies from 1979, China has allowed foreign banks to set up branch offices at its coastal cities such as Dalian and Shanghai, but has forbidden them from inland cities such as Beijing.

The country is expected to finally lift the ban in the hope of joining the World Trade Organization (WTO). By the end of this year, China is expected to authorize banks from Japan, the United States and Europe for business in Beijing as a gesture of financial liberalization.

The U.S. and other countries have been seeking a total liberalization of China's financial markets in negotiations over the country's bid for participation in the global trade body.

Industry sources say the establishment of branch offices by Japanese banks in Beijing should encourage Japanese companies to move inland where China hopes to boost development.

MITI Mission To Discuss Auto Parts in PRC

952A0409E Tokyo NIKKAN KOGYO SHIMBUN in Japanese 21 Jan 95 p 1

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] on 20 January announced that it will dispatch a joint private and government business mission on auto parts to China as early as mid-April. Between 50 to 60 people will scrutinize production efficiency, quality control, etc., of 40 plants in four regions. The results will be reported in the Third Japan-China Automobile Exchange Conference to be held in Beijing in July, and will be instrumental in supporting China's parts industry. This business mission to China will be the first of its kind. China is channeling its energies into the cultivation of its auto industry, and while it is assertively attracting Japanese makers, because parts production which is the base industry will become critical, its policy is to increase this type of cooperation in the future.

The business mission to China will consist of MITI, the Japan Automobile Manufacturers Association, the Japan Auto Parts Industries Association, and the Japan Efficiency Association. There will be four groups made up of 10 to 15 members which will visit 10 plants per region for a total of 40 plants in four regions to scrutinize production efficiency, quality control, etc. They are scheduled to stay approximately two weeks.

Automotive exchange between Japan and China started jointly between the governments and private sector in 1993, and the third exchange will be held in July of this year as well. In this year's exchange conference, it will present to the Chinese side a proposal based on the diagnostic results of the parts plants, the idea being to establish linkage to future advice, such as improvement measures, etc.

By full-fledged cooperation and support related to parts, it will mean that Japan's connection with China in the production of automobiles will be fortified.

Toyota Group Preparing for Expansion in China

952A0409F Tokyo NIKKAN KOGYO SHIMBUN in Japanese 18 Jan 95 p 15

[FBIS Translated Text] [Nagoya] Toyota Tsusho Corporation (president, Keiji Nogami), in response to the outlook that Chinese business will expand in the future and in the wake of Toyota Motor examining passenger car production in China, will establish a local corporation with complete funding in Shanghai's Pudong district. Currently, it is moving forward with its application for corporate establishment, and once approved, it will establish this corporation by converting its existing

office in China to a corporation. It will become a local window for expansion by such activities as support work on the occasion of expansion in China of each member of the Toyota Group as well as for automobile related projects, such as sales and repair of Toyota automobiles, as well as projects outside the automobile field.

Establishing a "China Committee"

Since Toyota announced its intention of producing passenger cars in a joint venture with Tianjin Motor Industry Corp. (of Tianjin City), each of the Group members as well as cooperating parts makers has been seriously examining expansion in China. In this context, because business in China appeared likely to become energized, Toyota Tsusho elected to establish a corporation locally to enable it to collect information on China, cooperate in expansion, and, further, engage in support activities for expanding plants, such as trade with China in production equipment, parts, etc.

At present, although foreign firms that have a hand in automobile sales are limited, in the future it is possible that opportunities will expand, so it will may become a base for development of various automobile related ventures. Also, the company's judgement was that there would be significant merit in establishing a corporation in the case that it could engage in business not related to the automotive field, such as steel, textiles, foods as it is searching for the possibility for any type of business inside China.

Toyota Planning Engine Joint Venture in China

952A0409B Tokyo NIKKAN KOGYO SHIMBUN in Japanese 4 Feb 95 p 6

[FBIS Translated Text] It has been revealed that Toyota Motor Corporation (president, Tatsuhiro Toyoda) proposed to its partner on the third a plan to produce passenger car engines in a joint venture with Chinese automaker Shanghai Motor Industry Corp. (Shanghai). "(President Tatsuhiro Toyoda) is thinking he would like to visit China in the near future," and indeed will visit China in February at the earliest to move forward with top-level negotiations. Although the content of the plan has not been disclosed, the Shanghai Motor Industry Corp. side has introduced technology from overseas for 3,000cc displacement-class engines and is said to have the desire to manufacture as a joint venture, so the plan is thought to be along these lines.

Toyota Motor expressed to the Chinese Government its desire to produce "Corona" class small passenger cars beginning in 1996 in a joint venture with Tianjin Motor Industry Corp. (Tianjin) when President Toyoda visited China in September 1994, and specific negotiations are being advanced. The joint venture with Shanghai Motor Industry is intended to produce engines separately from this venture. President Toyoda himself, immediately after his visit to China last year, said "we are studying production of engines with Shanghai Motor Industry as well."

In addition to Toyota, Shanghai Motor Industry is examining choosing a joint venture partner from among three companies including U.S. General Motors (GM) and Ford. This visit to China by President Toyoda is said to be "to pay a courtesy call to important Chinese Government officials," and in addition to realizing the project with Tianjin Motor Industry, there is also the intention of showing Toyota's enthusiasm for the project with Shanghai Motor Industry. It is believed that the engine production joint venture with Shanghai Motor Industry will even develop into passenger car production in the future and Toyota will end up advancing two projects of different class passenger cars in Tianjin and Shanghai.

Burmese Dissidents Express 'Outrage' at Aid

OW2703144695 Tokyo KYODO in English 1428 GMT 27 Mar 95

[FBIS Transcribed Text] Tokyo, March 27 KYODO—Myanmar [Burmese] dissidents abroad expressed outrage at Japan's release of aid to their military-ruled country in a joint statement Monday [27 March], exactly 50 years after a systematic campaign was launched to rout the invading Japanese Army.

The statement from 10 groups in five countries said, "If Japan truly has the interests of the Myanmar people in mind, it should recognize that the only humanitarian aid to Myanmar is 'no aid to SLORC,'" referring to the military government of Myanmar known as the State Law and Order Restoration Council.

"To be humanitarian is to support the democratic opposition led by Aung San Suu Kyi [spelling of name as received]," it said.

With posters demanding the release of Suu Kyi and asking Japan to withhold aid to Myanmar, some 50 dissidents rallied past the Myanmar Embassy in Tokyo, which was celebrating the 50th anniversary of their country's armed forces day with invited guests.

Tin Kyi of the Burma Youth Volunteer Association said the demonstration shows the Myanmar peoples' feelings not only to the ruling military junta but also to the guests attending the ceremony.

Japan on Friday extended Myanmar a grant-in-aid of 4 billion yen as a debt relief measure. A week ago, the Japanese cabinet approved a proposal to partially lift curbs on Japan's Official Development Assistance (ODA) to Myanmar by giving it 1 billion yen to help increase food production.

A statement from the Burmese Relief Center-Japan on Friday said, "All aid to Myanmar becomes military aid and serves only to oppress the people."

Tokyo To Extend Aid to UN, Developing Nations**UN Force: \$3 Million**

*OW2403130695 Tokyo KYODO in English 0930 GMT
24 Mar 95*

[FBIS Transcribed Text] Tokyo, March 24 KYODO—Japan will give 3 million dollars to help the UN Protection Force (UNPROFOR) remove several million mines from Croatia and Bosnia-Herzegovina, Foreign Ministry Spokesman Terusuke Terada said Friday [24 March].

The aid will be extended for UNPROFOR's Mine Information Center, set up earlier this year, and will be used to purchase 11 vehicles to transport mines and remote-control robots, Terada said.

According to ministry officials, there are an estimated 2 to 5 million mines in war-ravaged Croatia and Bosnia-Herzegovina.

About 190 UNPROFOR staff have been killed by the mines, they said.

Terada said the UNPROFOR mine center is aimed at removing the mines, training personnel and supporting warring parties' activities to remove the mines.

Switzerland pledged 800,000 dollars for the center earlier this year.

Kyrgyzstan: 1 Billion Yen

*OW2403143795 Tokyo KYODO in English 1423 GMT
24 Mar 95*

[FBIS Transcribed Text] Tokyo, March 24 KYODO—Japan will extend Kyrgyzstan a 1 billion yen grant-in-aid to help the Central Asian country improve its economic structure and ease its economic difficulties, the Foreign Ministry said Friday [24 March].

Japanese and Kyrgyzstan Government officials exchanged notes on the aid earlier in the day in Moscow, the ministry said.

The aid is to support Kyrgyzstan's pursuit of economic reforms, it said.

Loans to Peru, Qatar

*OW2803065995 Tokyo KYODO in English 0631 GMT
28 Mar 95*

[FBIS Transcribed Text] Tokyo, March 28 KYODO—The Export-Import Bank of Japan will provide its first untied loan to Peru for the South American country's electric power projects, bank officials said Tuesday [28 March].

They said the governmental bank will provide 177.5 million dollars to establish hydroelectric power stations and repair power transmission facilities.

The bank will also offer untied loans to Qatar totaling 200 million dollars for the country's shipment facilities of liquefied natural gas, officials said.

The loans are to secure the supply of energy resources to Japan, they said.

Bolivia: 927 Million Yen

*OW2803023495 Tokyo KYODO in English 0201 GMT
28 Mar 95*

[FBIS Transcribed Text] Tokyo, March 28 KYODO—Japan will extend Bolivia a grant-in-aid of up to 927 million yen [Y] to assist its project to repair roads in local cities, the Foreign Ministry said Tuesday [28 March].

Japanese Ambassador to Bolivia Shizuya Kato and Bolivian Minister of Foreign Affairs and Worship Antonio Aranibar Quiroga exchanged notes on the Japanese aid in La Paz on Monday.

The aid will be used to purchase equipment to repair roads in Bolivia's local cities, the ministry said.

The latest aid brought the total amount of Japanese aid to Bolivia in fiscal 1994 to 3.87 billion yen.

Trinidad: \$4.3 Million

*FL2503150695 Bridgetown CANA in English 1404
GMT 25 Mar 95*

[FBIS Transcribed Text] Port-of-Spain, Trinidad, March 25, CANA—The Japanese government is extending a grant of US\$4.3 million dollars (388 million yen) to St. Lucia for the execution of phase three of its Fisheries Development Project. The Japanese Embassy in Trinidad said notes to this effect were exchanged in St. Lucia on Friday between St. Lucia's Deputy Prime Minister, George Mallet, and Japan's ambassador, Takeshi Tsuruta. Phase three of the project will focus on the renovation and expansion of the facilities at the Castries Fish Market Complex. It will also include the extension of refrigerating facilities, renovation of part of the complex and construction of an entrance/exit at the market. The port facilities at Gros Islet will also be improved with the renovation of the boat ramp, reconstruction of fishing gear storage facilities and the construction of a landing wharf. The government of Japan has played a significant role in the development of St. Lucia's fishing industry, having provided two earlier grants totalling 650 million yen during the period 1988 to 1989 for phases one and two of the project. In 1993, the Japanese Government provided further assistance through a grant of 738 million yen for the construction of the fishing port and other related facilities at Dennery as well as for the supply of fishing vessels and equipment.

Aum Shinrikyo's Moscow Chief Interviewed

*OW2703140595 Tokyo Asahi Newstar Television
Network in Japanese 1100 GMT 26 Mar 95*

[FBIS Editorial Report] Tokyo Asahi Newstar Television Network in Japanese at 1100 GMT, during its

regular "Sunday Project" talk show program, carries a 50-minute live interview with Fumihiro Joyu, Aum Shinrikyo's Moscow bureau chief and who is alleged to be cult leader Shoko Asahara's right-hand man, and Yoshinobu Aoyama, legal adviser to Aum Shinrikyo, by political commentator Soichiro Tahara, who serves as a regular interviewer for the program. Participants of the talk show include regular guests INSIDER magazine chief editor Hajime Takano, Kyoto University Professor Masataka Kosaka, and international political affairs commentator Yoichi Masuzoe. Lawyer Makoto Endo, Kanagawa University Professor Keiichi Tsuneishi, and religion journalist Tadashi Murou also join the program as the day's special guests.

At 1109 GMT, after reviewing the recent gas attack on the Tokyo subway and Aum Shinrikyo's alleged involvement, Tahara asks Aoyama and Joyu whether or not Aum Shinrikyo had any involvement. Aoyama answers: "No, we are not related to the case. It is completely a frame-up." Joyu says: "We are victims of gas attacks. There is evidence that in Japan, many followers at Kamikuyama Headquarters, as well as in Tokyo and Nagoya, have suffered from poisonous gas attacks, including sarin and a bacillus." He adds that followers at the Moscow branch have also been gas attack victims. He notes that poisonous gas, including sarin, was detected, and shows a copy of a complaint submitted to a prosecutor's office in Russia. Joyu called for the people's understanding that a large number of Aum Shinrikyo followers suffered from toxic gas and that they recovered from the illness after using an antidote. However, Kanagawa University Professor Keiichi Tsuneishi counterargues, asking why people living near the Aum Shinrikyo facilities were not effected by poisonous gas. Aoyama reiterates his claim that nerve gas was detected and that Aum Shinrikyo has taken legal action.

Tahara notes the recent police raids on Aum Shinrikyo's facilities in Kamikuishiki, and lists the names of the chemicals found at the site during the investigations. Asked why a religious group needs to possess such a large volume of chemicals, including glycerine and nitric acid, which can be used to produce dynamite, Joyu explains that the chemicals are needed to carry out an Aum plan to establish a community in the future, capable of producing its own food. Showing plastic containers and other products that he claims are made by Aum Shinrikyo, Joyu says phosphorus trichloride, which is material used for producing sarin, is used to produce such products. He also says the cult plans to produce computer semiconductors starting in 1995. However, he admits that the cult still does not have semiconductor production facilities or agricultural farms. Asked why they have to buy the chemicals in such large quantities, Joyu says: "There is no guarantee that we will be able to continue to buy them in sufficient quantities in the future. This is our belief. Also, knowing that this religious group has been a target of harassment, we may not be able to obtain them unless we secure them now." He continues to

explain that the cult also stores rice and other foodstuffs in preparation for an emergency.

Tahara asks why the Aum group needs a poison antidote and who is attacking the group. Joyu explains: "This is a fact that we have been attacked by groups related to the state power." Tahara immediately asks: "What do you mean by the state power?" Joyu answers: "State power or groups that are capable of doing such things." Tahara asks Joyu to name groups or people who are attacking Aum. Aoyama explains: "For example, this happened in late January. An 11-plane formation of U.S. Forces skimmed over the Aum Shinrikyo facilities. Their flight pattern was very unusual." Tahara asks: "Why would the U.S. Forces want to destroy Aum?" and says: "Needless to say, people living near the facilities would also suffer the consequences if U.S. airplanes flying in formation tried to destroy Aum." Aoyama says: "The authorities have committed various crimes in the past." Joyu adds that many of the Aum Shinrikyo followers in various areas are complaining about gas attacks by the authorities. Joyu says: "I myself am a victim. I suffered noticeable damages. I recovered from the damages when I took the poison antidote."

Joyu and Aoyama repeatedly say that they have been victims of gas attacks and asked police, even before the sarin leak that took place last year in Matsumoto City, to carry out investigations. Matsuzoe asks Joyu if the cult will accept investigations by a joint team composed of government representatives and Aum Shinrikyo members. Both Joyu and Aoyama agree with the proposal.

Tahara then asks Joyu if cult leader Asahara, who said that the time has come to carry out a relief plan and meet death without regret, is encouraging his followers to commit mass suicide. Joyu denies it, saying it is totally unfounded and a wrong interpretation of the message.

At 1150 GMT, the interview concludes.

Investigation Targets Sarin-Making Method

*OW2703143195 Tokyo KYODO in English 1410 GMT
27 Mar 95*

[FBIS Transcribed Text] Tokyo, March 27 KYODO—An investigation of suspected gas containers left in Tokyo's subways has found evidence suggesting that each container may have had two different chemicals needed to produce the highly toxic nerve gas sarin, police said Monday [27 March].

They said it is suspected that someone who planted the containers aimed to generate sarin gas by causing a chemical reaction between the two chemicals packed separately in each container and escaped before the poison gas dispersed into the air.

According to witnesses, at least two of the five containers wrapped in newspapers leaked a liquid.

Police said a sarin by-product found in subways, white smoke flowing out of two of the five containers and

differences in the degree of gas poisoning on a site-by-site basis bolsters such a view.

The speed at which the two chemicals were mixed might have determined the degree of sarin poisoning as passengers on a smoke-filled subway on the Hibiya Line were most seriously injured, police said.

The sarin by-product, methylphosphine acid diisopropyl, is a chemical compound unique to a certain sarin-producing method which generates white smoke, according to chemical experts.

The sarin by-product was also found at the site of a mysterious sarin poisoning case in the central Japanese city of Matsumoto last July and at a complex of facilities of Aum Shinrikyo, the religious cult suspected of involvement in producing sarin gas.

In the March 20 subway poisoning case, 10 people died from sarin poisoning and about 5,000 people were injured.

Bacteria-Growing Agent Found at Aum Building

OW2803064095 Tokyo KYODO in English 0623 GMT 28 Mar 95

[FBIS Transcribed Text] Tokyo, March 28 KYODO—Police searching the premises of the religious cult Aum Shinrikyo west of Tokyo found a large quantity of peptone, a substance used in bacteria cultivation, Tuesday [28 March] police sources said.

The find—some 160 metal drums of peptone stored at a warehouse near a facility known as Satian No. 6—raises the possibility the cult was conducting bacteriological research, the sources said. The drums each have a capacity of 18 liters.

The sources said some 500 searchers are combing another facility, Satian No. 7, which the sect describes as a place of prayer, but which police suspect was a factory for the production of the deadly nerve gas sarin and other chemicals.

Sarin released on trains on three Tokyo subway lines March 20 killed 10 people and made more than 5,000 others ill in an attack police have still not solved. The gas was developed by Nazi Germany during the 1930s.

Police sources said Sunday investigators are searching the facilities, which are in the village of Kamikuishiki, Yamanashi Prefecture, for evidence of suspected plotting of murder.

The sources said part of Satian No. 7, which was hidden behind an altar, contains a large set of machinery and a maze of dark corridors, complicating their investigations into the structure's layout.

They said some of the building's contents are being taken out after removing a large relief of the sect's main object of worship, Siva, the Hindu god of destruction and renewal.

Witnesses claim to have seen white smoke coming from the building from time to time and in July last year, residents of Kamikuishiki near the building complained of a foul odor.

Police sources said that searchers in Satian No. 7 so far have found atropine, which can be used as a sarin antidote, and acetonitrile, a sarin solvent.

They said the large amount of space around the machinery in a room behind the altar suggests that it also had housed other equipment. They said they suspect that pipes from the first floor of the building connect to an air purifier.

Witnesses claim to have seen machinery transported from the building following further complaints of foul odors in January and police said they now suspect the sect recently rebuilt the interior as a place of worship.

North Korea

Japanese Coalition Delegation Arrives 28 Mar

SK2803045095 Pyongyang KCNA in English 0433 GMT 28 Mar 95

[FBIS Transcribed Text] Pyongyang, March 28 (KCNA)—A delegation of three ruling coalition parties of Japan arrived in Pyongyang today by air.

The delegation consists of a delegation of the Liberal Democratic Party led by former Deputy Prime Minister and Foreign Minister Michio Watanabe, member of the House of Representatives; a delegation of the Social-Democratic Party led by Secretary General Wataru Kubo, member of the House of Councillors; and a delegation of the new party Sakigake led by Secretary General Yukio Hatoyama, member of the House of Representatives.

The guests were met at the airport by a delegation of the Workers' Party of Korea [WPK] led by Secretary Kim Yong-sun, chairman of the Reunification Policy Committee of the Supreme People's Assembly and chairman of the Korean Asia-Pacific Peace Committee.

The delegation will stay here till March 30.

Talks between the WPK delegation and the delegation of the three ruling coalition parties of Japan and between the WPK delegation and the delegations of each party of Japan will be held in this period.

Kim Yong-sun, Delegation Hold Talks

SK2803152195 Pyongyang KCNA in English 1513 GMT 28 Mar 95

[FBIS Transcribed Text] Pyongyang, March 28 (KCNA)—Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea [WPK], chairman of the Reunification Policy Committee of the Supreme People's Assembly [SPA] and chairman of the Korean

Asia-Pacific Peace Committee, today met and had a talk with a delegation of the three ruling coalition parties of Japan which paid a courtesy call on him at the Mansudae Assembly Hall.

Present there were members of a delegation of the Liberal Democratic Party of Japan led by former Deputy Prime Minister and Foreign Minister Michio Watanabe, member of the House of Representatives, a delegation of the Japan Social-Democratic Party led by Secretary General Wataru Kubo, member of the House of Councillors, a delegation of the New Party Sakigake of Japan led by Secretary General Yukio Hatoyama, member of the House of Representatives, and suite members.

Won Tong-gu, department director of the WPK Central Committee and deputy to the SPA, and other officials concerned were on hand.

Kim Yong-sun told the visitors: "The seed for improvement of DPRK-Japan relations has already been sown, and the point is how to grow it." He called for mutual sincere efforts to improve the relations between the two countries.

Michio Watanabe said it is high time the governments of Japan and the DPRK resumed negotiations. If both sides exchange their views open-heartedly and honestly, progress will be made in the improvement of Japan-DPRK relations, he added.

Yukio Hatoyama stressed the need to hold talks so successfully that they can bear a good fruit.

Further Details on Talks

*SK2803153195 Pyongyang KCNA in English 1524
GMT 28 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 28 (KCNA)—Talks were held between the delegation of the Workers' Party of Korea (WPK) and the visiting delegation of the three ruling coalition parties of Japan at the Mansudae Assembly Hall today.

Present at the talks on the Korean side were Kim Yong-sun, secretary of the Central Committee of the WPK, chairman of the Reunification Policy Committee of the Supreme People's Assembly (SPA) and chairman of the Korean Asia-Pacific Peace Committee; Won Tong-gu, a department director of the C.C. [Central Committee], the WPK and deputy to the SPA; Kim Yang-gon, a vice department director of the C.C., the WPK and chairman of the Society for Korea-Japan Friendship; and other officials concerned.

Present on the Japanese side were the delegation of the Liberal Democratic Party led by Michio Watanabe, member of the House of Representatives and former deputy prime minister and foreign minister; the delegation of the Social-Democratic Party led by Wataru Kubo, secretary general of the party and member of the House of Councillors; and the delegation of the New Party

Sakigake led by Yukio Hatoyama, secretary general of the party and member of the House of Representatives.

At the talks, Kim Yong-sun explained the situation of Korea, the question of Korea's reunification and the foreign policy of the WPK.

"The Korean people are courageously advancing Korean-style socialism centred on the masses, closely united in mind around the great leader Comrade Kim Chong-il," he said. "The relations between Comrade Kim Chong-il and our people are unbreakable in that they are based on trust and loyalty, loving care and devotion which are combined on the highest plane."

Thanks to these relations, the chuche cause pioneered by the great leader President Kim Il-song will successfully be accomplished without fail, he added.

Referring to the question of Korea's reunification, he said that come what may, Korea must be reunified on the three principles—*independence, peaceful reunification and great national unity*—laid down by President Kim Il-song in his lifetime.

"Korea must be reunified through a confederation based on one nation, one state, two systems and two governments," he said.

The idea of the foreign policy of the WPK and the DPRK Government is *independence, peace and friendship*, he said, adding: "Our consistent position is to develop relations with Japan under this idea."

The delegation of the three ruling coalition parties of Japan is on a visit to Pyongyang to discuss the resumption of the intergovernmental talks, which had started in the wake of a joint declaration adopted by the Workers' Party of Korea and the Liberal-Democratic Party and the Social-Democratic Party of Japan, Kim Yong-sun said, describing this as a praise-worthy bold action.

The secretary of the WPK Central Committee expressed his hope that negotiations will go well and bear a good fruit for the resumption of the talks.

Assertion of South as 'Civilian Regime' Refuted

*SK2803102595 Pyongyang KCNA in English 1016
GMT 28 Mar 95*

["Fascist Outrage Trampling Upon 'Parliamentary Democracy'"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 28 (KCNA)—NODONG SINMUN today refutes the insistence of the Kim Yong-sam group that its "regime" is a "civilian" one and the South Korean social system is a "liberal democratic system".

Branding this as a deception of the reality and a mockery of the public opinion, the analyst of the paper says:

There is neither "civilian regime" nor "liberal democratic system" in South Korea. If any, it is only a fascist

regime without an equal in ferocity, a regime which succeeded to the "Fifth and Sixth Republics", military dictatorial "regimes".

The Kim Yong-sam group is resorting to fascist arbitrariness, violating even elementary "parliamentary democracy."

Motivated by a black-minded intention to use "elections to local autonomous bodies" slated for this summer as an occasion to keep and reinforce its ruling system, the Kim Yong-sam group hatched a plot to make "elections" postponed and tried to railroad a bill on their postponement through the "National Assembly". As opposition "assemblymen" turned out to frustrate this plot, however, it mobilized police force to suppress them.

It has converted the "National Assembly" into a theatre of deep-rooted "one-party monopoly". At more than 10 "National Assembly" sessions, it has arbitrarily brushed aside the just arguments of the opposition parties and the people only to be branded as a "group of gangsters" and a "civilian regime" which is little different from a military one.

"Reforms" and the like effected by the traitor Kim Yong-sam are all treacherous acts against democracy and reunification, which are deepening South Korea's dependence upon outside forces.

In order to adopt such anti-national policies, Kim Yong-sam can not but commit such a gangster-like act as railroading bills through the "National Assembly".

For an instance, the "Democratic Liberal Party" held a "plenary session" at the press room of the "National Assembly" at the end of last year with the absence of the opposition and forcefully passed a total of 47 "bills" through it over wireless mikes without any explanation in little more than three minutes, the bills which had been resolutely opposed by the people.

All the treacherous policies which impose misfortunes and sufferings upon South Korean people are a product of the strong-arm politics of the Kim Yong-sam group. These policies can never be abolished as long as the Kim Yong-sam "regime" exists.

Those who lord it over the people and resort to arbitrary acts in defiance of their demand and the worldwide trend will only face self-destruction.

Committee Criticizes Work of South's ANSP

OW2703155895 Pyongyang KCNA in English 1505 GMT 27 Mar 95

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—The Kim Yong-sam group must immediately stop anti-national criminal act of dividing and alienating Koreans overseas with the crooked tentacles of the "Agency for National Security Planning" [ANSP] and of obstructing reunification movement, declared the

Korean Committee for Assisting Overseas Compatriots in a statement on March 27.

The statement says the South Korean "ANSP" brought into shape tools the task of which is to divide and alienate the Koreans in China and to conduct subversive activities. And the agency is manipulating the subversive activities and sabotages in the three provinces of northeast China through its secret agents in the South Korean "embassy" and "consulate" in China, it adds.

The document goes on:

The agency is engaged in dividing non-governmental organizations of the Koreans active in the northeast of China into two parts, that is, "pro-North" and "pro-South" and in disintegrating them from within, and is trying to win over the Koreans in this area by bribery, while bringing into shape its local mechanisms disguised as "joint venture company," "individual enterprise," "business office," "cultural exchange body" and "religious organization" in the area on the plea of development.

What draws particularly serious attention is that the officials and secret agents of the agency are threatening, persecuting and conducting terroristic acts against the China-resident Koreans and using some of them for division and antagonism among the Koreans in China, so as to attain their heinous political purpose.

The Kim Yong-sam group's frantic maneuverings against the Koreans overseas, which coincide with its repeated anti-ethical remarks, challenging the mind of the South Koreans, show that it has neither the intention of achieving national reconciliation nor the willingness for dialogue, the statement says.

With the Kim Yong-sam group seeking only national division and confrontation no one can live under the same sky, it says, and calls on the Overseas Koreans including those in China to stand together and resolutely fight to hold in check all the subversive activities and sabotages of the Kim Yong-sam group.

South's Pro-Kim Chong-il Sentiment Described

SK2803045295 Pyongyang KCNA in English 0426 GMT 28 Mar 95

[FBIS Transcribed Text] Pyongyang, March 28 (KCNA)—The Seoul-based radio Voice of National Salvation broadcast an article written by Choe Ki-chun, a newspaper reporter in Seoul this year, as a sequel of "Leader Long Awaited by People," his article on the public feelings published last year.

The article titled "Public Feelings Follow the Sun" says among other things:

I recently visited a "K" university, my alma mater, pinning my great hopes on students, who had always played the vanguard role in the reunification movement. I was surprised when I saw the result of an opinion poll

conducted by a research centre of the university some time ago among 995 students.

87.9 percent of the respondents described socialism as the ideology that will resolve the contradictions of South Korean society. The best-seller among the students last year was the leader Kim Chong-il's famous work "Socialism Is a Science."

More than 90 percent of the pollees said General Kim Chong-il, the son of Mt. Paektu, is the long-awaited leader who will achieve national reunification.

The consciousness of the students this year is characterized by deep reverence for the leader Kim Chong-il who has succeeded President Kim Il-song.

Generally speaking, the students are optimistic about the prospect of reunification because they have general Kim Chong-il, the long-awaited leader with literary and military accomplishments.

According to an opinion poll conducted among the students of an "S" university, most of them said they are studying the works of the leader Kim Chong-il, his brief biography and materials about his achievements and virtues.

At a "D" university, the students whom I met told me that the activities of Supreme Commander Kim Chong-il draw their great interest and make them revere him.

I have also met with some 20 professors, men of the press, writers and other intellectuals in Seoul, Pusan, Taegu, Kwangju and other places, including an old professor of politics at the "K" University who was once my teacher. The conscientious intellectuals expressed their great sympathy with the independent politics of President Kim Il-song and the leader Kim Chong-il and were confident that it is the path for our nation to follow.

In order to collect data about the feelings of the lowest classes, that account for a considerable number of the population, I also visited Mia-tong, Tobong District, known as a typical slum of Seoul. The inhabitants of the slum told me the ideal society imagined by our ancestors is the North which is under the benevolent politics of the respected leader Kim Chong-il who loves the people.

Public feelings are following the sun, that means the leader Kim Chong-il, this year designated as the year of reunification.

Workers Party Delegation Departs for China

SK2803003995 Pyongyang KCNA in English 2201 GMT 27 Mar 95

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—A delegation of officials of the Workers' Party of Korea [WPK] led by Yi Hui-kyu, a vice department director of the WPK Central Committee, left here today for China.

It was seen off at Pyongyang railway station by Kim Yang-kon, a vice department director of the WPK Central Committee, and a councillor of the Chinese Embassy here.

Embassy in PRC Shows Film About Kim Il-song

SK2803054495 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 23 Mar 95

[FBIS Translated Text] The DPRK Embassy in China held a film showing on 16 March on the occasion of the great leader Comrade Kim Il-song's birthday.

Functionaries of the relevant sector, including Zhu Shanqing, deputy head of the International Liaison Department of the CPC Central Committee, were invited. The DPRK ambassador to China and personnel of the Embassy were present. In the film showing, our country's film, "The Great Career in 1994" was shown.

After the film show, Zhu Shanqing said, "I was deeply moved by the film. The respected Comrade Kim Il-song is a great man who devoted his life to the Korean revolution and the Korean people. President Kim Il-song highly treasured China-Korea friendship and made active efforts to develop it continuously. The great President Kim Il-song conducted energetic external activities till the last moment of his life. In conducting diplomacy with Kanemaru of Japan and Carter of the United States, he completely won them over and opened a turning point for the development of the situation. Seeing that Kanemaru was moved to tears when President Kim Il-song received him, we know that President Kim Il-song had firm principles and masterful diplomatic faculties."

The embassy also held a photo exhibit that day. At the site of the exhibit were photographs showing the great leader Comrade Kim Il-song's immortal achievements. The participants carefully viewed the photographs on display and expressed their deep impression. The film show and the photo exhibit were also held on 9 March.

Foreign Media Dedicate Articles to Kim Il-song

SK2603081695 Pyongyang KCNA in English 0805 GMT 26 Mar 95

[FBIS Transcribed Text] Pyongyang, March 26 (KCNA)—Foreign newspapers and radio dedicated articles to the birth anniversary of the great leader President Kim Il-song.

The Indian paper SAMACHAR POST said in an article headlined "Great Father of People":

The respected leader President Kim Il-song was the great father who devoted his whole life to the people.

The whole life of President Kim Il-song who believed in the people as in heaven is shining with most devoted service to the people.

He always gave ear to voices of the popular masses and pursued politics of love reflecting their will.

The Korean people are living in a most ideal society centred on the popular masses thanks to his spirit of faithful service to the people.

The Nepalese paper NEPAL NEWS said in an article titled "Slogan Carrying People's Desire":

"The great leader Comrade Kim Il-song will always be with us", the slogan newly held high by the Korean people, carries their noble will to follow the great leader President Kim Il-song forever and hold him in esteem as their father.

The great Comrade Kim Il-song was the great leader of the people whom the Korean nation acclaimed for the first time in its history of five thousands of years and held in high esteem and the great leader who had been highly respected and trusted by the world people.

He founded the *chuche* idea, the idea of human emancipation, and created a new history of humankind.

Comrade Kim Il-song's great idea on independence and revolutionary spirit are a guideline for the world people to hew out their destiny.

Comrade Kim Il-song is alive in the hearts of the world people and his great feats illumine the world.

The Nigerian paper OBSERVER, the Mexican paper COMBATIENTE and Radio Citta Aperta of Italy also published articles praising President Kim Il-song under the titles "Brilliant Whole Life of People's Leader", "The Korean People Remember Their Leader", etc.

Foreign Media Praise Kim Chong-il's 'Greatness'

SK2503104695 Pyongyang KCNA in English 1014 GMT 25 Mar 95

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA)—Foreign newspapers carried articles celebrating the greatness of the great leader Comrade Kim Chong-il.

The Bulgarian paper TRIBUNA carried an article headlined "Characteristics of Comrade Kim Chong-il's Thought and Theory".

The article said:

The important characteristics of Comrade Kim Chong-il's thought and theory lie in that they are run through with boundless loyalty to the revolutionary idea of the great leader President Kim Il-song and evolved on the basis of the idea and theory of *chuche*.

They are also characterized by the revolutionary idea and theory with the theory on revolutionary outlook on leader as a core.

The ideological and theoretical activities of Comrade Kim Chong-il are thoroughly run through with the

serve-the-people spirit. Therefore, his idea and theory reflect the desire and will of the popular masses and the people accept his idea and theory as their faith and will.

The Nigerian paper OBSERVER ran an article entitled "Comrade Kim Chong-il's Man-Centred Politics, Politics of Love and Trust".

The paper pointed out that Comrade Kim Chong-il put forward the idea on building a society with love for and trust in the people in his early years and has successfully applied it in practical life.

His politics of love and trust is the broad-minded politics of giving noble socio-political integrity to all members of society, bearing the responsibility for their destinies and looking after all the working people in the warm bosom of love, stressed the paper.

The greatness of Comrade Kim Chong-il was also praised by the Maltese paper L'ORIZZONT, the Botswanan paper DAILY NEWS and the Indian paper SEVERA.

Nepal Paper on Pressure To Accept ROK Reactors

SK2503110595 Pyongyang KCNA in English 1027 GMT 25 Mar 95

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA)—The Nepalese weekly NEPAL NEWS on March 16 denounced the South Korean authorities for laying artificial obstacles and difficulties in the implementation of the DPRK-U.S. framework agreement.

In a commentary titled "Solution of Nuclear Issue of Korea and Intrigue of Uninvited Guest" the paper said that South Korea, an uninvited guest, which has nothing to do with the provision of light water reactors to the Democratic People's Republic of Korea is poking her nose into it and breeding plots.

The paper further said:

The framework agreement has no articles that South Korea is involved in the solution of this problem and that the DPRK must accept light water reactors from South Korea.

This notwithstanding, the U.S.-led international consortium is manipulating South Korea to play the main role in the solution of the provision of light water reactors and trying to justify the unjustifiable condition that the DPRK must receive the South Korean-model light water reactors.

South Korea is putting her nose into this problem this time, too, and misleading public opinion as if she were playing a leading part. This fully shows that she has no intention to settle the nuclear issue in a peaceful way but seeks a political purpose to fish in troubled waters by poking her nose into this problem.

South Korea, in actuality, has neither light water reactors of its own nor technological capacity to provide them. South Korea claims that she will provide the nuclear power plant called "Ulchin 3-4" to the DPRK, but its construction will take a long period till 1999 and there is no technological guarantee for light water reactors. It is imprudent of South Korea to claim that she will offer to the DPRK light water reactors which do not exist actually and have no technological guarantee.

South Korea would be well-advised to sincerely think and act for peace and security on the Korean peninsula rather than poking her nose into the nuclear issue and being busy with faking up a sinister political plot.

The world must pay due attention to the process of the solution of the nuclear issue of Korea and create conditions and possibilities for its settlement of principle according to the framework agreement.

Hong Kong Firm To Invest in Free Trade Zone

*SK2703050195 Pyongyang KCNA in English 0440
GMT 27 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—The Hong Kong New Northeast Asia Co., Ltd, will make an investment in building of a factory in the Najin-Sonbong free economic and trade zone in the Democratic People's Republic of Korea, which is a "golden triangular area".

The factory to be built in Tongmyong-tong, Najin-Sonbong City will produce various kinds of alcoholic liquors and soft drinks.

The corporation plans to construct a factory with daily production capacity of 48,000 litres of alcoholic liquors by using the high-quality spring water of the Kwangok hill and gradually expand its capacity in the future.

It decided to invest 2 million U.S. dls in the first-stage construction.

The zone authorities leased 5,000 square metres of site to and granted special favour for the corporation.

The corporation also showed its intention to invest in building the Pupo airport.

Antonio Michell, president of the corporation, after making a round of the building area of the airport, said that its location is very favourable. And he acquainted himself with the fast-progressing airport project and proposed to make the investment, divided by three stages. According to him, a 1,500 m-long runway for AN-24 plane will be built within six to twelve month period at the first stage, a 2,500 m-long concrete runway for Boeing-727 at the second stage and a 4,000 m-long runway for Boeing-747 at the third stage in accordance with the increase of demands.

He said that he would, in the future, have a detailed consultation with the external economic affairs organ of the DPRK with regard to the construction of the airport.

Brazilian Group Presents Gift to Kim Chong-il

*SK2703103695 Pyongyang KCNA in English 1018
GMT 27 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—The great leader Comrade Kim Chong-il received a gift from the Central Committee of the October 8 Revolutionary Movement of Brazil.

The gift was handed to Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, by Sergio Rubens de Araujo [spelling of name as received], international secretary of the Central Committee of the October 8 Revolutionary Movement of Brazil, on a visit to Korea.

Danish Professor Cites DPRK as 'Model Country'

*SK2803042495 Pyongyang KCNA in English 0402
GMT 28 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—A forum of non-governmental organizations which was held with the World Summit on Social Development in Copenhagen organized on March 11 a political forum to urge the withdrawal of the imperialists' blockade.

In his address titled "Independent Policy of the Democratic People's Republic of Korea and Its Validity" at the political forum, Tuo Magnesen, associate professor at Roskilde University of Denmark, said that Korea is a fine model country which has made great achievements and exploits in socialist construction, overcoming the "sanctions" and "blockade" of the imperialists.

The modern history of Korea and the course of its economic development were run through with a struggle against undisguised moves of aggression, blockade and pressure on small countries and a struggle to establish the sovereignty of a country and carry out an independent economic policy, he said, and stressed:

Korea has become a standard-bearer in the struggle of the world people for independence since socialism suffered setbacks in the former Soviet Union and East Europe.

At present, the third world countries should find in Korea experiences and an example of how to cope with the challenge of market economy.

Korea's line of building an independent national economy is based on the *chuche* idea and the *chuche* philosophy.

Daily Praises Kim Chong-il's 'Communist Morality'

*SK2803101895 Pyongyang KCNA in English 1009
GMT 28 Mar 95*

["Great Leader Unfolds New History in Building Communist Morality"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 28 (KCNA)—NODONG SINMUN says in a by-lined article today it is the great leader Comrade Kim Chong-il, the supreme incarnation of the revolutionary morality, who created an epic of the purest and noble communist moral obligation to the leader ever seen in the history of the working-class revolutionary movement.

The author of the article goes on:

The great feats performed by Comrade Kim Chong-il in building revolutionary morality are that he was the first to establish the *chuche*-orientated outlook on communist morality with the loyalty to the leader as the hardcore.

The great leader Comrade Kim Chong-il said:

"Communist morality is the purest and noble, true morality. The hardcore in communist morality is the loyalty to the leader."

What is most important in ethics and morality which the communists should safeguard is ethics and morality toward the leader.

Respected Comrade Kim Chong-il indicated the principle of communist morality with the loyalty to the leader as the hardcore, so that the aim and the basic way of building the revolutionary morality and the ways of completing the building of morality have been made clear.

He gave a comprehensive exposition of the relations of true revolutionary comradeship and obligation which should be established among members of socialist society which forms a large family centering on the leader and the moral norm which should be voluntarily observed in labour and public life.

The great feats performed by Comrade Kim Chong-il in building revolutionary morality are that he has made our society an integrated whole of morality and obligation with loyalty and filial piety in one mind by successfully applying the *chuche*-orientated theory on communist morality to politics.

He has administered the politics of love and trust, the benevolent politics embodying the principle of communist morality and saw to it that the fine characters of the Korean people strong in justice and deep in obligation have been comprehensively effloresced and developed on a new mental and moral basis.

In leading the building of revolutionary morality Comrade Kim Chong-il has personally created a paragon of the noblest revolutionary obligation toward the leader.

His noble morality and obligation toward the leader are powerfully demonstrated, first of all, in upholding the fatherly leader President Kim Il-song forever with the purest attitude of a revolutionary soldier.

We are all the permanent soldiers of the leader. We value the title of the revolutionary soldier of the leader more than any government post. The words of the great Comrade Kim Chong-il that he will accomplish the revolutionary cause of the leader invariably as a revolutionary soldier of the leader show the world of his noble morality and obligation.

His noble communist morality and obligation are clearly displayed in firmly defending all the feats performed by President Kim Il-song in the revolution and construction and exalting them down through generations.

It is the unshakable determination of Comrade Kim Chong-il to fully carry forward and effloresce and develop all the revolutionary feats performed by the president who died at his post of duty while conducting energetic activities till the last moment of his life solely for the ultimate victory of the cause of our socialism. Respected Comrade Kim Chong-il is carrying on his energetic work to make the ideas and feats of the great leader President Kim Il-song shine forever though thousands of years or tens of thousands of years pass by.

The noble communist morality and obligation of Comrade Kim Chong-il are fully displayed in boundlessly valuing and exalting generation after generation all the intimacy and comradely relations forged by the fatherly leader in his lifetime.

Indeed, steadfast is the intention of the great Comrade Kim Chong-il to carry on the work in any field of the revolution and construction on the basis of the obligation toward the leader and have the work run through with it.

Choe Tae-pok at Symposium on 'Historical Meetings'

SK2803045395 Pyongyang KCNA in English 0418 GMT 28 Mar 95

[FBIS Transcribed Text] Pyongyang, March 28 (KCNA)—A scientific symposium was held in Pyongyang Monday to commemorate the 60th anniversary of the historical Dahuangwai and Yaoyinggou meetings called by the great leader President Kim Il-song during the anti-Japanese revolutionary struggle.

The symposium was attended by Choe Tae-pok, alternate Politburo member and secretary of the C.C. [Central Committee], the Workers' Party of Korea, officials concerned, and officials engaged in the management of revolutionary sites, party cadre training organs, science, education and the press.

At the symposium, there were speeches under the subjects "Dahuangwai and Yaoyinggou meetings were historical meetings that brought an epochal turn in adhering to *chuche*-oriented stand of the Korean revolution and independently developing the cause of national liberation", "Yaoyinggou meeting was a historical one that

opened a new way in expanding the stage of anti-Japanese armed struggle into vast areas of Northeast China and Korea" and others.

At these historical meetings held in February and March 1935, President Kim Il-song saved the Korean revolution from the crisis at that time and firmly adhered to the chuche-oriented revolutionary line, opening a bright way for invigorating the Korean revolution as a whole with the anti-Japanese armed struggle as the main.

The speakers said the Dahuangwai and Yaoyinggou meetings are historical ones that brought an epochal turn in adhering to the chuche-oriented stand of the Korean revolution and independently developing the cause of national liberation, because they served as important occasions in frustrating the manoeuvrings of all sorts of opportunists including the chauvinists and thoroughly defending the chuche-based revolutionary line.

They recalled that the meetings made it possible to smash the wrong insistence of the leftist chauvinists on the slogans of national liberation, defend the independent right of the Korean communists, and preserve and strengthen the leading hardcore of the Korean revolution, liquidate the aftermaths of the anti-"Minsaengdan" struggle and advance the Korean revolution under the banner of the chuche idea.

They pointed out that it is also because the meetings marked a turning point in thoroughly realizing the cohesion and unity of the anti-Japanese revolutionary ranks and further strengthening the revolutionary internal forces.

They said that the organizational unity and ideological and intentional, moral and faithful unity of the revolutionary ranks around the great leader had been cemented more firmly after the meetings.

The speakers stressed that the Dahuangwai and Yaoyinggou meetings helped develop the international bonds between communists of Korea and China most solidly on a higher stage in the idea of trust and love.

National Scientific, Technological Festival Opens

*SK2803053995 Pyongyang KCNA in English 0445
GMT 28 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 28 (KCNA)—The tenth national scientific and technological festival was open in Pyongyang Monday.

The annual festival is of weighty significance in reviewing the year-long achievements in scientific research and technological innovation, further solidifying them and introducing them into practice.

An opening ceremony was attended by Choe Tae-pok, alternate Politburo member and secretary of the C.C. [Central Committee], the Workers' Party of Korea, officials concerned and scientists, technicians, workers, peasants, students and soldiers who distinguished themselves in local festivals.

Addressing the ceremony, Choe Hui-chong, chairman of the State Commission of Science and Technology and chairman of the C.C., the Korean General Federation of Science and Technology, said the scientists, technicians and working people of Korea are satisfactorily solving the scientific and technological problems arising in implementing the party's revolutionary economic strategy and generalizing their achievements and experiences through the festival.

He stressed that the current festival should be made a good occasion in making our country, our motherland more prosperous.

At the end of the opening ceremony, there were held festivals of different societies and academies.

WPK Sends Thanks to Firm Producing Clothes

*SK2803050195 Pyongyang Korean Central
Broadcasting Network in Korean 0100 GMT 24 Mar 95*

[FBIS Translated Text] A gathering was held on 23 March to convey a message of thanks from the Workers Party of Korea [WPK] Central Committee to functionaries and workers of Moranbong joint-venture company who effected innovations in the production of export commodities.

Present at the gathering were Comrade Kim Pok-sin, vice premier of the Administration Council and chairman of the Light Industry Commission, officials concerned and employees of the company.

Comrade Kim Pok-sin conveyed the message of thanks from the WPK Central Committee at the gathering.

In the message of thanks, the WPK Central Committee pointed out that it sends warm thanks to all workers, technicians, and office employees who actively contributed to implementation of the party's light industry-first policy and trade-first policy by cherishing a sense of endless loyalty to the party and to the socialist fatherland and by effecting innovations in producing clothing goods.

The message of thanks noted that the WPK Central Committee firmly believes that the employees and functionaries of the company, who continuously pushed ahead with the three revolutions—ideological, technological and cultural—by upholding party leadership, will excellently repay the party's trust and expectations by registering a greater success in producing and exporting clothing commodities.

Yun Sun-i, secretary of the company's primary-level party; Chang Hui-ok, head of a workshop; and Yim Hyon-ok, worker, participated in discussions.

A message of pledge to Comrade Kim Chong-il, the great leader [yongdoja] of our party and our people, was adopted at the gathering.

Members of Coast Artillery Company Visit Pyongyang

SK2503104795 Pyongyang KCNA in English 1021
GMT 25 Mar 95

["Comrade Kim Chong-il's Infinite Loving Care"—
KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA)—The soldiers of a women coast artillery company of Unit No. 291 of the Korean People's Army recently had significant days in Pyongyang, the capital of revolution.

The company has been widely known for the great leader Comrade Kim Chong-il's visit to it in early February and his warm loving care for it.

Comrade Kim Chong-il called the coast artillery women, who had distinguished themselves in the company art circle activities, to Pyongyang to show their performance to the participants in the recent meeting of the company commanders and company political instructors of the Korean People's Army, and saw to it that all of them made the rounds of Pyongyang.

After acquainting himself with their inspection plan, he asked senior officials to provide every convenience to them with utmost care and made sure that photograph albums showing their inspection were made and given to all of them.

The woman soldiers visited revolutionary sites and grand monumental edifices by a bus sent by Comrade Kim Chong-il, among them Mangyongdae, the cradle of revolution, the revolutionary martyrs cemetery on Mt. Taesong, the tower of the chuche idea, the monument to the victorious fatherland liberation war, the revolutionary museum of the Ministry of the People's Armed Forces, the May Day Stadium. They were warmly welcomed by the Pyongyangites wherever they went. And they saw the mass gymnastic display given by school youth and children in the city and art performances including dramas and acrobatic shows in theatres, on March 21 this year, 23 years after the great leader President Kim Il-song visited the company.

Comrade Kim Chong-il, entering into the feelings of the soldiers who would yearn for the president that day, saw to it that their meeting with school youth and children was held in the daytime where they were warmly congratulated upon their achievements. And they were entertained at the Mokran House in the evening.

The coast artillery women, deeply moved by the loving care of the Supreme Commander Comrade Kim Chong-il, pledged to become rifles and bombs in defending him at the risk of their lives.

The loving care shown by Comrade Kim Chong-il for them will be recorded in the annals of the revolution and the history of the chuche-based army building as a new legend of the Workers' Party era.

Power Station Overfulfills Daily Production Plan

SK2603112795 Pyongyang Korean Central
Broadcasting Network in Korean 2200 GMT 23 Mar 95

[FBIS Translated Text] The party members and working class of the Kanggye youth power station, who have stood up to implement the party's revolutionary economy strategy in hearty response to the great leader's behest, are vigorously waging the struggle to brilliantly fulfill the first-quarter power generation goal with the revolutionary spirit of self-reliance and arduous struggle.

In an interview with Central Broadcasting Committee correspondent Choe Un, Comrade Han Sang-kil, assistant chief engineer of this power station, said:

[Begin Han Sang-kil recording] Our party members and working class of the Kanggye youth power station, cherishing the slogan "What the party decides, we will do!" in their hearts, are vigorously waging the struggle to fulfill the first-quarter power generation goal ahead of schedule.

They believe that the scientific and technological management of facilities and water is an important way to normalize power generation at a high level and are making efforts for its scientific and technological management. By operating generators at full capacity, the power station generates approximately 200,000 kwh more than the daily goal.

The workers of the Red Flag of Three Revolutions No. 1 generator shop, who have stood up to send more electricity to various sectors of the people's economy as they pledged before the altar of the fatherly leader, are substantially carrying out the popular technological innovation movement and increasing the efficiency of waterwheels and, thus, generating more electricity with less water.

They are more reasonably distributing loads to generators [words indistinct], thoroughly guaranteeing a high water level and high efficiency, and, thus, are overfulfilling the daily power generation plan.

The workers of the Red Flag of Three Revolutions No. 3 generator shop are emotionally recalling the day when the great leader visited their work place approximately 30 years ago and dedicated the operation of the power station. They are always operating all generators at full capacity and normalizing power generation at a high level.

The officials and working class of the equipment shop and the tool shop are positively contributing to increasing power generation by highly displaying the revolutionary spirit of self-reliance and arduous struggle and helping operate generators at full capacity. [end recording]

Small Power Stations Increase Production

SK2503135495 Pyongyang Korean Central
Broadcasting Network in Korean 1200 GMT 23 Mar 95

[FBIS Translated Text] Small- and medium-size power stations in Songgan district have effected innovations in

the production of electric power. Small- and medium-size power stations secure more water by good management of the waterway and the dam and are waging a vigorous struggle to increase the production of electric power per ton of water.

The electric power producers there are effectively checking the generators at regular intervals and during recesses; and following the technological regulations and standard operation manual well, they are producing 1,000 kw more electric power than the daily target.

Hydraulic Power Complex Overfulfills Targets

*SK2703114895 Pyongyang Korean Central
Broadcasting Network in Korean 1200 GMT 26 Mar 95*

[FBIS Translated Text] Embraced with the single blazing desire to decorate this significant year welcoming the 50th anniversary of the party's founding and the 50th anniversary of the fatherland's liberation as the most brilliant year in the history of our fatherland, functionaries and electricity producers of the Taechon Hydraulic Power Complex, who have vigorously launched the struggle to increase electricity production, are achieving innovations by producing some 400,000 kilowatts of electricity more than their daily targets.

Embraced with the one blazing desire to loyally uphold the great leader [yongdoja] Comrade Kim Chong-il's leadership through higher electricity production results, the electricity producers of the No. 1 power station who are vigorously carrying out the struggle finished in a short time the general overhaul of electric generators by highly manifesting the revolutionary spirit of self-reliance and fortitude. Also, they are producing some 200,000 kilowatts of electricity more than their daily targets. Under the goal of producing more electricity with small amounts of water, functionaries and electricity producers at this work site are emphasizing water management and effectively carrying out facilities management and technology management.

Yanggang Provincial Loggers Increase Production

*SK2703140595 Pyongyang Korean Central
Broadcasting Network in Korean 1200 GMT 26 Mar 95*

[FBIS Translated Text] Functionaries and workers of forestry stations under the Yanggang Provincial Forestry General Bureau, who have vigorously launched themselves in the struggle to implement the party's revolutionary economic strategy, are registering continuous innovative successes in logging. Comrade Pang So-yul, chief technician of the provincial Forestry General Bureau, who was interviewed by Central Broadcasting correspondent An Ki-chun, says:

[Begin Pang So-yul recording] Setting off on the vigorous struggle to implement the party's revolutionary economic strategy, upholding the party's intent set forth in the great leader Comrade Kim Chong-il's handwritten letter to all the people and in the joint editorial carried

by the party organ, party members and working people of our Yanggang Provincial Forestry General Bureau are making continuous innovative successes in logging in March in the spirit of having overfulfilled the January and February targets on all indices.

The functionaries of the general bureau went down to the forestry stations of various locations they were assigned to, and persistently kept up the organization and command work for production with the functionaries there. Vigorously conducting the political work to brilliantly implement the great leader's behest at the logging site, they are waging a vigorous battle with the loggers, setting examples and showing by practice rather than precepts.

According to data compiled, forestry stations under the general bureau are overfulfilling the daily logging target by 47.7 percent. functionaries and workers of the Yukchon and Yonan Forestry Stations, which overfulfilled the February target, are boosting the daily operational performance by 50 percent, concentrating on machine operation and the operation of trucks.

At the same time, small and medium forestry stations and the Kapsan Forestry Station are persistently maintaining organizational work, overfilling the daily target of the final-stage carriage [magam narugi].

The Taepyong, Yupyong, and Yonan Forestry Stations are waging a battle to fulfill the first-half-year target by 15 April.

Functionaries of our provincial forestry general bureau will actively contribute to implementing our party's revolutionary economic strategy by persistently keeping up the economic organizational work and producing more timber. [end recording]

Article Lauds Unity of Party, Army, Youths

*SK2503035795 Pyongyang NODONG SINMUN in
Korean 26 Feb 95 p 2*

[Article by Sung Chae-sun: "The Invincible Unity of the Party, the Youth, and the Army Is a Firm Guarantee for Victoriously Advancing the Chuche Cause"]

[FBIS Translated Text] Today, our revolution has entered a new historic turning point. The entire party, entire Army, and all the people unanimously are rising up, upholding the great leader's [suryong] lifetime teachings; the position of our socialism has been more firmly deepened than ever before. This constitutes a firm guarantee for resolutely safeguarding, defending, and glorifying our own style of socialism centered on the popular masses.

We should consistently continue to push ahead with the struggle to more victoriously advance the chuche revolutionary cause on the foundation of the success already attained, and to consummate it to the end. To do so, we should not only strengthen the unity of all the people centered on the great leader [yongdoja] Comrade Kim

Chong-il, but should also more firmly deepen the invincible unity of the party, the Army, and the youth.

For the party, the Army, and the youth to unite as one mind and vigorously fight, upholding the respected and beloved supreme commander Comrade Kim Chong-il, is a sacred struggle not only to victoriously advance the revolution and construction, but also to brilliantly consummate the chuche revolutionary cause pioneered by the great leader [suryong] while surmounting all sorts of difficulties and trials. We should continue to consolidate and develop at a new high stage the singlehearted unity of the party, the Army, and the youth rallied firmly around the great leader [yongdoja] in conformity with the demands of today's reality.

Strengthening by all means the unity and cohesion of the party, the Army, and the youth centered on the great leader [yongdoja] Comrade Kim Chong-il is a most important revolutionary task that we should firmly grasp in victoriously advancing the chuche revolutionary cause.

The great leader Comrade Kim Il-song has taught: "In order to defend the popular mass-centered socialism of our country and brilliantly consummate the chuche revolutionary cause, it is imperative for the entire party and all the people to firmly unite around Comrade Kim Chong-il and to properly uphold his leadership."

The chuche revolutionary cause is a most sacred cause that the great leader Comrade Kim Il-song pioneered and led for a long time. Although the great leader [suryong] who pioneered our revolution passed away, today the chuche revolutionary cause is victoriously advancing along its straight path. This is because the great leader [yongdoja] Comrade Kim Chong-il is wisely leading this cause, standing at the head of the party and the revolution.

The respected and beloved Comrade Kim Chong-il has taken it as his lifelong mission to inherit and consummate the chuche revolutionary cause, upholding the fatherly leader's [suryong] lifetime teaching, and is now vigorously carrying out activities for its realization. All of the great leader [yongdoja] Comrade Kim Chong-il's ideological and theoretical activities and actual struggle are directed toward defending, inheriting, and consummating the chuche cause to the end. Accordingly, deepening the invincible unity of the party, the Army, and the youth more firmly under his revolutionary leadership is indeed of significance.

Unity is the great foundation of the revolution and a decisive guarantee for the victory of the revolution. To victoriously advance and consummate the revolutionary cause, it is imperative to further strengthen the entire society's singlehearted unity. Ranks of core elements and basic ranks in this are precisely the party, the Army, and the youth.

In any revolutionary rank, only when the rank of core elements are strong and firm can the entire revolutionary

rank become mighty. Likewise, our singlehearted unity can also display its invincible vitality only when the rank of core elements of the revolution are firmly prepared.

The party is the heart of our society, firmly united as one mind. The party's leadership is the lifeline of the socialist cause. The party plays a central role in rallying the popular masses into one social and political body centered on the leader [suryong]. Therefore, the popular masses can be rallied as an independent social and political body and can become the genuine master of their destiny only when they are rallied around party organizations. Without strengthening the party and enhancing the party's leading role, we cannot think of unity.

The People's Army is a powerful military force which safeguards and defends the leader's [suryong] cause with rifles. The People's Army occupies an important position in achieving revolutionary unity. It also plays an important role in the accomplishment of the revolutionary cause. The cause of the leader [suryong] can be resolutely safeguarded and defended only when the revolutionary army becomes powerful. In particular, the fact that today the imperialists are attempting to invade other countries with a force of arms and viciously challenging the socialist cause, shows that without strengthening the revolutionary Army, the socialist cause cannot be firmly carried on.

Youths are the flower of the revolution. They are also the most powerful and viable unit of society and the masters of the future. The future of the revolution and the fatherland depends entirely on how to prepare youths and on how to enhance their roles. Only when youths are ideologically sound can the revolutionary cause be firmly inherited. Only when youths are active and move vigorously, can society surge and the overall revolution and construction be advanced vigorously. Therefore, in strengthening singlehearted unity of the whole society, there is nothing more important than firmly preparing youths ideologically and fostering them into the successors of the revolution.

Strengthening the party, building the People's Army into a powerful revolutionary army, and thoroughly preparing youths to become the successors to the revolution are the great leader [yongdoja] Comrade Kim Chong-il's consistent policy that he has firmly grasped in leading the revolution and construction.

Whenever heavy tasks were presented and a difficult situation was created before our revolution, the respected and beloved leader Comrade Kim Chong-il strengthened and firmly rallied the Army and youths around the party. Thus, with this might, he has surmounted difficulties and led the revolution and construction to victory. The practical experience of our revolution has proven that when the party's leading role is enhanced by all means and the Army and youths are firmly rallied around the party as one mind, the revolution and construction can be victoriously advanced.

The great leader [yongdoja] Comrade Kim Chong-il's revolutionary policy on strengthening the party and rallying the Army and youths around the party, is not only the correct policy based on the scientific analysis of the practical experience of our revolution, but is also a most wise policy which makes it possible to strengthen the main force of the revolution by all means and to consummate the chuche revolutionary cause on the strength of its might.

When the party is mighty, the Army is strong, and youths are firmly prepared, it is possible to surmount all sorts of difficulties and to smash any powerful enemy. The struggle to push ahead with the chuche revolutionary cause, depends on how to further deepen unity of the party, the Army, and youths firmly rallied around the great leader [yongdoja]. Therefore, in carrying out the revolution and construction, we should concentrate all efforts on strengthening the party and the People's Army, and on firmly preparing youth ideologically.

More firmly deepening unity of the party, the Army, and youths around the great leader [yongdoja], Comrade Kim Chong-il is a firm guarantee for strengthening by all means the main force of our revolution. To consummate to the end the revolutionary cause pioneered by the leader [suryong], it is imperative to deepen the main force in the revolution.

The revolution's success depends on how the main force in the revolution is built. The powerful main force of the revolution makes it possible to turn misfortune to fortune and adversity to prosperity and to successfully push ahead with the revolution and construction under any difficult circumstances. However, if there is no main force of the revolution, the revolution cannot escape failure and vicissitudes. This is a lesson proven by the history of protracted revolutionary struggle.

The main force of the revolution is a unified body of the leader [suryong], the party, and the masses. How powerful it is totally depends on upholding the great leader [yongdoja] at the center of the unity and how the ranks of the revolution rally around it. The party, the Army, and youths are the most powerful revolutionary force and the essential make-up of the revolution's main force.

Basic to strengthening the main force of the revolution is the reinforcement of the party, and the Army and youths being endlessly loyal to the party's leadership. Only when the revolutionary Army is faithful to the party, can it implement its honorable task of defending and safeguarding the leader's [suryong] cause. Likewise, only when youths faithfully uphold the party's leadership, can they strongly grow up as the inheritors of the revolutionary cause.

When the entire party, the entire Army, and all the youths rally around the great leader [yongdoja] Comrade Kim Chong-il, our revolution's main force will come to have indomitable power, and our revolution and construction will be triumphantly advanced.

Further consolidating the unity of the party, the Army, and the youths around the great leader [yongdoja] Comrade Kim Chong-il as their center is a powerful driving force to achieving the prosperity and development of our country, our fatherland.

Further enriching our country, our fatherland, is the great leader's behest and the great leader [yongdoja] Comrade Kim Chong-il's immovable determination. How the fatherland's prosperity and development are achieved while upholding the great leader's [suryong] intentions depends on the unity of the party, the Army, and youths.

The party is a powerful weapon of the construction of the fatherland. Today, all the struggles for the fatherland's prosperity and development have been organized and led by our party. In order for our country, our fatherland, to become all the more enriched, the party, above all else, should become more powerful and should brilliantly carry out its role as a guide and an organizer that leads the struggle for the construction of the fatherland. The People's Army is our party's revolutionary armed forces which defends our socialist fatherland and the most reliable detachment for the construction of the fatherland. When the People's Army is strong and the youths create heroic feats in socialist construction, our fatherland's sovereignty and power will be highly displayed and the country's endless prosperity will be achieved.

The struggle to achieve prosperity and development of our country, our fatherland, is a noble work to carry through the great leader [yongdoja] Comrade Kim Chong-il's grand plan for the construction of the fatherland. Our era is a glorious era in which the intentions and plans of the great leader [yongdoja] Comrade Kim Chong-il fully bloom. When the party, the Army, the youths unite and carry through the grand plan for the construction of the fatherland, the future of our fatherland will shine as an era forever attached to the esteemed name of great Comrade Kim Chong-il.

When the party, the Army, and youths rally around the great leader [yongdoja] as their center, the chuche revolutionary cause can be triumphantly marched ahead and be consummated to the end. This is a valuable truth that has been proven by the Korean revolution's actual experiences.

The road traversed by our revolution was truly arduous and rough. In the darkest period of Japanese imperialist rule, the great leader Comrade Kim Il-song who stood in the forefront of the Korean revolution organized the revolution's vanguard organization "Down-With-Imperialism Union." On the basis of this organization, he closely united new generation communists, and, with its might, he pioneered the new road of revolution. In the arduous period of anti-Japanese armed struggle, the great leader [suryong] organized the party organization, enhanced its role in every way, and firmly rallied the members of the Korean People's Revolutionary Army and the Young Communist League

around the party organization. Thanks to the great leader's wise leadership, the party organization, the Army, and the Young Communist League became strong, thus defeating the Japanese imperialists armed to teeth and brilliantly achieving the historic cause of liberating the fatherland.

The firm unity of the party, the Army, and youths around the great leader [suryongnim] is the source of the invincible might that has enabled the Korean revolution to be explored and pushed ahead with. Without this mighty unity, we cannot think of the great victory achieved in the fatherland liberation war after smashing the U.S. imperialism, nor can we think of the establishment of the strong, independent socialist country of self-reliance, and self-defense in the empty land, where everything was ruined, by effecting the great Chollima upswing.

The single-hearted unity of the party, the Army, and youths is an immortal achievement the great leader attained while leading the Korean revolution for a long time, and is the most valuable asset he handed down to us. There is no other way than adhering and adding luster to this achievement to proceed with the chuche cause. By hardening the unity of the party, the Army and youths, we should stoutly succeed the chuche bloodline of our revolution and stalwartly advance along the single road of chuche opened by the great leader Comrade Kim Il-song.

Today, the unity of the party, the Army, and youths firmly achieved around the great leader [yongdoja] Comrade Kim Chong-il is being consolidated and developed at a new, higher level along with the advance of the revolution in our country. This firmly guarantees the bright future of our revolution.

The unity of our party, army, and youths is invincible unity around the great leader [yongdoja].

Revolutionary unity must be based on a single center. The center of unity is necessary to firmly unite the party, the Army, and youths in one and make them powerful revolutionary forces. The center of unity is the top leader [choego yongdoja] of the revolution. When the party, the Army, and youths are united around the top leader of the revolution, the might of the unity becomes peerlessly strong.

Respected and beloved Comrade Kim Chong-il is the supreme head [choego noesu] of our revolution and supreme commander of our revolutionary armed forces. All struggles to succeed and complete the chuche revolutionary cause pioneered by the great leader [suryongnim] have been organized and led by respected and beloved Comrade Kim Chong-il. All party members, People's Army officers and men, and youths can certainly foresee the bright future of their worthwhile lives and of the Korean revolution, under the leadership of great leader Comrade Kim Chong-il who is wisely

leading the struggle to succeed and complete the chuche revolutionary cause at the head.

The invincibility of our unity and cohesion lies in the greatness of respected and beloved Comrade Kim Chong-il and in the boundless loyalty of the entire party, the entire Army, and all youths who absolutely trust and follow the leader [yongdoja]. Completely fascinated by the ideology, spirit, and humanity of the great leader Comrade Kim Chong-il, our people uphold him as the center of their unity. This is our people's noble ideological and spiritual trait. The same boundless loyalty and lofty revolutionary spirit like that of the anti-Japanese revolutionary fighters—who came to Mt. Paektu, where the great leader was, and devoted themselves to the anti-Japanese revolutionary struggle as Comrade Kim Il-song's soldiers—race through the hearts of the entire party, the entire Army, and all youths.

The center of our unity is steadfast and its might is infinite because the top leader of the revolution is great, and because the faith and will of the entire party, the entire Army, and all youths to follow the leader is firm.

The unity of our party, army, and youths is the unity in idea and will that has been achieved based on an ideology.

Ideology is the life of unity. Genuine unity can be achieved with a great ideology as its basis.

The unity of our party, army, and youths is based on an ideology, and in the unity, they have the same intent as the great leader Comrade Kim Chong-il's. The infinite might of our unity lies in the phenomenon in which the entire party, the entire Army, and all youths become a united body sharing the same idea and will, thinking and acting in accordance only with respected and beloved Comrade Kim Chong-il's idea and will.

The respected and beloved leader Comrade Kim Chong-il's idea is an invincible banner to consummate the chuche revolutionary cause pioneered by the great leader [suryong] and a weapon for the powerful struggle to further enrich our fatherland. Because of the greatness of the respected and beloved leader Comrade Kim Chong-il's idea, all party members, officers and men of the People's Army, and youths accept it as an absolute truth and demand of life, and are staunchly fighting for it while regarding it as an eternal life-giving water. Sharing the same will with the great leader [yongdoja] Comrade Kim Chong-il and living and striving in accordance with the leader's [yongdoja] ideological will are our people's unbreakable life motto.

Because our party, Army, and youths regard the great leader [yongdoja] Comrade Kim Chong-il's ideological will as their firm view of the world, their unity has become the purest and strongest.

The unity of our party, Army, and youths is unity based on a revolutionary sense of obligation and camaraderie.

Revolutionary unity must be realized on the basis of a revolutionary sense of obligation and camaraderie. The revolutionary sense of obligation and camaraderie are a noble ideological sentiment forged among the leader [yongdoja], fighters, and revolutionary comrades who fight inside one rank to realize one purpose and one ideal. Only when the revolutionary sense of obligation and camaraderie are highly displayed, can the most sublime human relations be forged between the leader [yongdoja] and fighters, and among fighters, and can they be united as one.

In our country, the unity of the party, the Army, and youths has been firmly cemented on the most lofty stage because the revolutionary sense of obligation and camaraderie have been highly displayed. Our revolutionary sense of obligation and camaraderie are the love of kinship that can be found in close brothers and are the sense of obligation between close comrades-in-arms who share life and death with one common social, political life on the road of upholding high the great leader [yongdoja] Comrade Kim Chong-il. Because of such love, the entire party, the entire Army, and all the youths have closely united in one blood vessel. Communist virtues of dedicating one's bones, flesh, and even life to save a revolutionary comrade and looking after parentless children and helpless aged people, bloom fully throughout our country. These are also based on revolutionary camaraderie.

The extent of the firm unity of the party, the Army, and youths with the revolutionary sense of obligation and camaraderie, can be found in the full demonstration of the virtue of the army-civilian unity. All party members and youths love and actively assist the People's Army, and the People's Army also loves the people and devotedly serves the party and the people. In particular, our youths regard it as an honor to be the respected and beloved comrade supreme commander's fighters, and rush toward the posts of national defense. Because our party's idea on army-civilian unity is being brilliantly carried through, the unity of the party, the Army, and youths rallying around the respected and beloved comrade supreme commander has become the most powerful unity based on the revolutionary sense of obligation and camaraderie.

Today, we should have the pride and dignity of having the youths' invincible unity and cohesion. However, we should never be satisfied with the achievements that have been already accomplished in the struggle for unity and cohesion.

Today, our party has entered a new stage of development. The Korean revolution assumes a protracted character and the generation replacement took place within the revolutionary ranks. The reality demands the party, the Army, and youths to all the more firmly unite around the great leader [yongdoja] more than any other time.

We should endlessly strengthen the struggle to develop and consolidate the unity of the party, the Army, and youths around the great leader [yongdoja].

We should, most of all, strengthen the party in organizational and ideological terms.

What is most important in developing and consolidating the unity of the party, the Army, and youths is strengthening the party, its core and leading forces. When the party is united, the masses can also be united. However, when the party is divided, so are the masses. The collapse of socialism and the return of capitalism in some countries is closely linked with the failure to firmly strengthen the party in organizational ideological terms.

In order to strengthen the party, the party ranks must be solidly consolidated and the entire party's cohesion and unity around the leader [suryong] must be guaranteed in every way. Today, our party ranks are well equipped with veteran revolutionaries who uphold the great leader [yongdoja] Comrade Kim Chong-il, and functionaries and millions of party members who are endlessly loyal to the party and the leader [suryong]. For that reason, our party's organizational ideological foundation is incomparably high. We should deeply cherish the absolute loyalty toward the great leader [yongdoja] Comrade Kim Chong-il and further cement the party's organizational ideological foundation. We should also strengthen ideological indoctrination work and thoroughly prepare all the party members politically and ideologically. By so doing, we should defend and safeguard the party ranks' unity and cohesion. In addition, by setting up the revolutionary ethos of unconditionally implementing the party's policies and decisions in the entire party, we should steadfastly guarantee the party's leadership over the revolution and construction.

The People's Army must be strengthened and developed into revolutionary armed forces that are endlessly loyal to the party and the leader [suryong].

Strengthening the People's Army is a military guarantee to defend, adhere to, and add luster to socialism. Only when the People's Army is strengthened, can socialism be defended and the sovereignty of the country and the nation be safeguarded.

Always bearing in mind the honor and pride of upholding the respected and beloved Comrade Kim Chong-il, an ever-victorious iron-willed commander, as the supreme commander, the entire officers and men of the People's Army should uphold high the comrade supreme commander's leadership, and thoroughly set up the revolutionary military ethos of unconditionally carrying through the supreme commander's orders without fail. In addition, by implementing our party's plans on converting the entire Army into a cadre Army and modernizing it, everyone should become the guns and bombs, and energetic fighters resolutely defending the party, thus defending our territory, our territorial air space, and our territorial water as an impregnable fortress.

The ethos of valuing the military in the entire society should be set up and the virtue of army-civilian unity that has been fully displayed in our society should also be all the more fully bloomed.

Youths should be steadfastly prepared as the inheritors of our revolution.

The revolution does not end with one generation but it is a long-term work consummated through various generations. In order to inherit the main stream of revolution, it is important to prepare youths politically and ideologically.

Arising before our youths is an important task of defending, adhering to, and adding luster to socialism that has bloomed with creative labor and won with blood. The future of socialism lies on youths' shoulders.

Party organizations should pay a deep interest in bringing up youths as our revolution's inheritors.

Party organizations should firmly strengthen organizations of the League of Socialist Working Youths of Korea and enhance their role and function. Especially, the ideological indoctrination work should be strengthened among youths, thereby nudging them into faithfully uphold the party's leadership with the endless loyalty toward the great leader [yongdoja] Comrade Kim Chong-il. In addition, party organizations should let youths know their parents' youth days when they defended the fatherland with blood and built a socialist country from ruins, thus making youths devote their youth to the fatherland's prosperity and development like their parents. In doing so, they should take over the baton of the chuche revolutionary cause and inherit it, and become the guns and bombs resolutely defending the party and the leader [suryong].

Firmly rallying around the great leader [yongdoja] Comrade Kim Chong-il by the entire party, the entire Army, and youths is a noble work to firmly guarantee the victorious march of the chuche revolutionary cause, and a glorious struggle to achieve the prosperity and development of our country, our fatherland.

Only victory and glory will illuminate before the future road for our people who uphold the great leader's behest and the leadership of the respected and beloved Comrade Kim Chong-il who heads the struggle to inherit and consummate the chuche revolutionary cause.

Editorial Urges Living 'Our Own Way'

SK2803051395 Pyongyang NODONG SINMUN in Korean 28 Feb 95 p 1

[Editorial: "Let Us Live Our Own Way"]

[FBIS Translated Text] Today, we are faced with a glorious task of achieving the prosperity and development in our country, our fatherland, by registering endless innovations and upsurges in socialist construction. What is important in successfully carrying out the task is thoroughly implementing the party's slogan urging all the functionaries and working people to live our own way.

The great leader [yongdoja] Comrade Kim Chong-il has taught: "We should firmly defend and add luster to the socialism of our own style all the more by upholding and thoroughly implementing the slogan 'Let Us Live Our Own Way'."

From his early days, the great leader [yongdoja] Comrade Kim Chong-il has analyzed and summed up the historic experiences of our country's socialist construction and the urgent demands of the development of our revolution in all sectors of the revolution and construction. On this basis, he has set forth the revolutionary slogan "Let Us Live Our Own Way!"

Such a slogan set forth by the great leader [yongdoja] Comrade Kim Chong-il is the most militant and revolutionary slogan reflecting the immovable will and position of our party and people to consummate the socialism of our own style to the end.

Living our own way implies that living and acting according to the demand of the chuche idea and solving everything in conformity with our people's interests.

The justness and vitality of the party's militant slogan on living our own way have been clearly proven in our revolution and construction.

By consistently embodying the party's slogan on living our own way, our people can firmly establish chuche in the revolution and construction, triumphantly advance the chuche revolutionary cause, smash all sorts of challenge and disturbing maneuvers by imperialists and reactionaries; and defend socialist banner to the end. Practical experience clearly shows that the party's strategic slogan on living our own way is the most brilliant slogan that enables us to consummate the chuche socialist cause to the end through generations and a just slogan reflecting the realistic demand of our country's socialist construction.

Consistently implementing the party's slogan on living our own way is an important demand to achieve the prosperity and development of our country, our fatherland, by upholding the great leader [yongdoja] Comrade Kim Chong-il's will and plan.

Endeavoring to further enrich our country, our fatherland, by upholding the great leader's behest is the great leader [yongdoja] Comrade Kim Chong-il's unshakable will and determination. In order to brilliantly carry through the great leader [yongdoja] Comrade Kim Chong-il's lofty intention and plan, all the party members and working people should thoroughly implement the party's slogan on living our own way. For party members and working people to carry out the revolution and construction our own way is a glorious work to display the superiority of the socialism of our own style by registering endless innovations and upsurges.

When all the people firmly rally around the great leader [yongdoja] Comrade Kim Chong-il with one mind and

one intent and, thus, accelerate the revolution and construction under the banner of the *chuche* idea, they can remarkably build our country, our fatherland, as an invincible fortress of socialism and as a paradise of the people; can overcome all sorts of trials and difficulties without any vacillation even if whatever wind may blow; and can highly display the dignity and sovereignty of our fatherland.

Highly upholding the party's slogan "Let us live our way," all party members and working people should vigorously accelerate the revolution and construction in conformity with its demand.

In order to live our way, functionaries, party members, and working people should most of all staunchly fight on, regarding the *chuche* idea and the party's line and policy—its embodiment—as their faith.

Our way is equivalent to the *chuche* way. The *chuche* idea is the only guiding idea for our revolution and construction, and is our nation's life. In order for our nation to live, we should cherish the *chuche* idea as the only life line, and should do everything our own way by following the road indicated by the *chuche* idea.

Only when party members and working people firmly arm themselves with our party's idea and theory, then they can solve everything by themselves in accordance with our revolution's demands and carry out heavy and colossal tasks that arise in the revolution and construction. All party members and working people should further increase studying in order to firmly arm themselves with the *chuche* idea and our party's idea and theory, and should endeavor to make those ideas their firm conviction by thoroughly and deeply understanding its profound principle. Especially, they should deeply study the great leader [yongdoja] Comrade Kim Chong-il's works, including the classic work "Socialism Is a Science", and make them their flesh and blood.

The people's conviction on socialism is an ideological foundation with which the people can carry out the revolution and construction in our way.

Deeply cherishing in their minds the immovable conviction that the *chuche* socialist cause led by the great leader [yongdoja] Comrade Kim Chong-il is invincible and that we will always win, party members and working people should effect endless upsurges in the revolution and construction by overcoming trials and difficulties. Just like our revolution's first and second generations who established and consolidated the *chuche* socialist system under the leadership of the party and leader [suryong], party members and working people should staunchly fight ahead with a burning will to consummate our own style of socialism with our own power. With strong revolutionary conviction to share their destiny with and resolutely adhere to socialism no matter what wind blows, party members and working people should all rise up to the struggle to highly display the superiority of our own style of socialism.

In order to live and fight in our own way, all party members and working people should endlessly glorify, defend, and adhere to the immortal achievements accomplished in our revolution and construction by the great leader [suryongnim] as well as the respected and beloved Comrade Kim Chong-il under the banner of the *chuche* idea.

All the victories and achievements won in the Korean revolution are those accomplished on the course of leading the revolution and construction by the great leader [suryongnim] as well as the respected and beloved Comrade Kim Chong-il. Those achievements are an eternal life line that enables our revolution to triumphantly march ahead toward one road of *chuche* forever.

All party members and working people should treasure the achievements accomplished by the great leader Comrade Kim Il-song and the respected and beloved Comrade Kim Chong-il, and should positively struggle to resolutely defend, adhere to, and add luster to their achievements. It is especially important to have a high sense of pride for all creations and wealth prepared by the hands of the great leadership, and to take good care of, love, strengthen, and develop them. We should remodel the people's idea and bring up the masses in accordance with the great leader's [suryongnim] work method, and should carry out guidance and management work on the economy in conformity with the Taean work system. Thereby, we should vigorously advance our revolution and construction toward one road of *chuche* pioneered by the great leader [suryongnim].

In order to live and carry out the revolution in our own way, it is also necessary to maintain an independent standpoint and thoroughly embody a creative method in revolution and construction.

An independent standpoint is a basic position that should be maintained in revolution and construction. We should thoroughly embody our party's independent, self-reliant, and self-defensive revolutionary line, while consistently adhering to such a line. In this way, we should increase the might of our fatherland's political, economic, and military might in every way, and highly display the dignity and might of the socialist fatherland.

It is important to embody a creative method to solve all questions arising from revolution and construction in conformity with our reality, while depending upon the popular masses' creativity. We should actively accelerate the revolution and construction, while thoroughly depending upon the popular masses and rousing the creativity of the party members and workers.

The revolutionary spirit of self-reliance and fortitude is our style revolutionary method whose justness and might have been fully corroborated in the glorious course of the struggle of our revolution.

In today's rewarding struggle to accomplish the party's revolutionary economic strategy, all functionaries, party

members, and workers should fully display the heroic struggle spirit of our people who have achieved epoch-making changes with the revolutionary spirit of self-reliance and fortitude. Functionaries and workers should solve the questions arising from developing the electric power industry, coal industry, railway transport, and metal industry with their own efforts and technique by mobilizing inner reserves, while thoroughly accomplishing the party's agriculture-first, light industry-first, and trade-first policy; and they should also solve the question of improving the people's livelihood in an epoch-making way by enhancing the role of counties and helping local regions display their individual creativity.

In particular, functionaries and workers should solve various questions—with their own strength—arising from developing science and technology and from carrying out technical revolution, thereby effecting an epoch-making turn in the struggle to develop science and technology to a high level in the shortest period of time, increase the country's economic might, and improve people's livelihood.

Today's reality demands that we strengthen the subjects of revolution more than ever before and enhance their role in every way. We should further solidify the single-hearted unity of the leader [suryong], the party, and the masses, and should accelerate the socialist construction with the force of such a unity.

Party organizations should help the party members and workers strenuously struggle in firm unity around the party and the leader [suryong], while positively carrying out the organizational, political work to imbue the party members and workers deeply with the noble intentions of the great leader [yongdoja] Comrade Kim Chong-il who is trying to inherit and consummate the socialist cause of chuche with the might of the single-hearted unity to the end. With vivid experience and graphic materials, party organizations should help the party members and workers deeply understand the intrinsic nature and demands of the party's revolutionary slogan "Let us live in our way!" and what we should do to thoroughly accomplish such a slogan. In this way, the party organizations should help all functionaries, party members, and workers loyally uphold party leadership [yongdo], while harboring the absolute sense of worship toward the great leader [yongdoja] Comrade Kim Chong-il who is leading the socialist cause while holding high the banner of chuche.

All party members and workers should further enrich our country, our fatherland, by accelerating the revolution and construction in firm unity around the great leader [yongdoja], while upholding the banner of chuche.

Songs Demonstrating Loyalty to Party Described

SK2503104595 *Pyongyang KCNA in English 1009*
GMT 25 Mar 95

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA)—Famous pieces of music under the title "Song

of Hearts Following the General" created recently by the song and dance ensemble of the Korean People's Army [KPA] raised its curtain of performance before full houses.

Put on the stage were songs of immortal classical masterpieces personally created by the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il and songs of loyalty to the party and the leader and other famous pieces of music which were loudly sung in the annals of revolution.

The singers spread a flower garden of famous pieces of music in a historical canvas, consistently laying stress on the idea that they will loudly sing the songs forever following respected General Kim Chong-il as they did following the great leader President Kim Il-song.

The male chorus "Cantata to Marshal Kim Il-song", which reflects the faith and will of the Korean people to praise long the glorious and brilliant revolutionary history of President Kim Il-song and hold him forever in high esteem, and the chorus "Nostalgia", which he sang, stirring up patriotism and confidence in victory among the members of the Korean People's Revolutionary Army during the arduous period of the anti-Japanese revolutionary struggle, have audience moved to tears for longing for him.

The male solo "Song of Anti-Japanese War", an immortal classic masterpiece, and the male chorus "The Red Flag" are the famous pieces of music which recall the whole life of glory of President Kim Il-song who devoted his all solely to the country and the people without the slightest hesitation and vacillation on the road of the rigorous anti-Japanese revolutionary struggle.

"Song of Proclamation of the People's Republic" and "May of Victory" which sing of the boundless pride and self-confidence of being the masters of liberated Korea, the wartime songs "To Road of Decisive Battle" and "My Song in a Trench", and "We Began on Debris," "Song of the Korean People's Army" and "The Leader Has Come to Our Post" which reflect the dynamic reality of building the country after the war, etc. are the famous pieces of music which are clear in background of the times and in thematic content.

The singers also sang famous pieces of music reflecting the iron faith and will of the Korean people and the officers and men of the People's Army to accomplish the revolutionary cause of chuche, holding Comrade Kim Chong-il in high esteem.

The famous pieces of music enrich the flower garden of the chuche art in a new perfect form of stage art and performance.

The song and dance ensemble put on the stage the dance suite "Army and People Uphold the General in One Mind" in February, acclaimed by the people.

The dance suite powerfully showed the validity and vitality of the idea of the Workers' Party of Korea on the unity between the Army and the people, spreading grand epic canvases with famous dances of high ideological and artistic value, peculiar music, dimensional stage setting and lantern slide. It, too, is a monumental work which added lustre to the treasure-house of the chuche-based literature and art.

The great leader Comrade Kim Chong-il appreciated the art performances given by the KPA song and dance ensemble and sent thanks to the creators and artistes of the ensemble, highly estimating their great success in the performances as befitting a revolutionary and militant art unit.

Posters Printed for 13th Spring Art Festival

*SK2703054895 Pyongyang KCNA in English 0501
GMT 27 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 27 (KCNA)—Posters for the 13th April Spring Friendship Art Festival have been printed with the approach of the festival.

Among them are a poster portraying against the background of music paper the history of the successful April spring friendship art festivals that raised their curtains with the immortal revolutionary paean "Song of General Kim Il-song" and a poster depicting a song stress coming with Kimilsongia to the festival across the oceans and continents and singing the song representing the ardent longing of humankind for the great leader President Kim Il-song.

They include a poster depicting artistes loudly singing the song of independence, peace and friendship, holding aloft the festival mark among thirteen doves symbolic of the 13th festival flying high in the sky above Pyongyang, the city of the festival, and a poster showing with a picture of five rings that the festival is a grand art gathering which has become a tradition in strengthening friendship and solidarity and deepening friendly feelings and cooperation among artistes from the five continents of the world.

South Korea

North-U.S. Expert Talks End 'Without Result'

*SK2703231295 Seoul KBS-1 Radio Network in Korean
2100 GMT 27 Mar 95*

[Report by correspondent Yi Myong-ku from Berlin]

[FBIS Translated Text] The expert-level talks on light-water reactors between North Korea and the United States ended without result after three days due to acute confrontation over the issue of the designation of ROK-model light-water reactors.

North Korea and the United States attempted to compromise until early morning today by holding talks both in an annex building of the U.S. Embassy in Berlin and in the North Korean Mission. However, they failed to narrow their differences on the type of light-water reactors. As a result, the talks ended earlier than scheduled. The talks were originally scheduled to be held for five days until 29 March.

During the current talks, North Korea again rejected the ROK-model reactors and asked the U.S. side to examine other possible alternatives, including U.S.-type reactors. However, it was learned that the U.S. side, under the pretext of a shortage of funds, adhered to its previous principle that there is no choice other than ROK-type reactors.

As a result, it will be difficult for them to meet the deadline of 21 April to conclude the contract on supplying light-water reactors. Thus, it is presumed that the two sides will seek political and diplomatic compromise through high-level contacts.

Talks Viewed 'Positively'

*SK2803075395 Seoul YONHAP in English 0743 GMT
28 Mar 95*

[FBIS Transcribed Text] Seoul, March 28 (YONHAP)—South Korea considers the outcome of the nuclear talks between North Korea and the United States in Berlin positively as North Korea showed efforts to present proposals to break the deadlock over the type of nuclear reactors to be provided to the North under the nuclear deal reached in Geneva last October, a senior South Korean official said Tuesday [28 March].

"Accordingly, South Korea will support continued nuclear talks between North Korea and the United States, regardless of the target date of April 21 for the conclusion of a contract for the provision of two light-water reactors to the North, unless the North breaks the agreed framework by unfreezing its nuclear facilities," said the official who did not want to be identified.

South Korea will soon hold three-way talks with the United States and Japan to discuss the proposals made by the North Koreans in Berlin, according to the official who refused to elaborate on the proposals from the North.

During the Berlin talks which lasted for three days from last Saturday, North Koreans continued to refuse to accept South Korea's central role in the construction of nuclear reactors for North Korea, said the official.

He, however, said that the United States made it clear during the Berlin talks that there cannot be an alternative to the type (South Korean standard model) of two light-water nuclear reactors to be provided to the North under the agreement reached in Geneva last October.

He expressed satisfaction with the three-way coordination with the United States and Japan in dealing with the

North Korean nuclear issue, saying that South Korean and Japanese officials dispatched to Berlin held frequent meetings with Gary Samore, deputy director for nuclear nonproliferation of the U.S. State Department, who led the American delegation, before and after each of the five sessions of the talks between the Pyongyang and Washington experts.

Reminding that the U.S. and North Korean sides "agreed to adjourn the meeting and report the contents of their discussions to their respective governments," the official hoped that Washington and Pyongyang will hold, at least before the target date of April 21, another round of expert-level talks to solve the differences over the type of the light-water nuclear reactors.

The official based his optimism on the fact that Kim Chong-u, chief of the north's External Economy Commission, who represented the North Korean side, fell short of threatening during the talks that the North would resume activity at the frozen nuclear facilities unless the two sides produced a contract for the provision of the reactors to the North by April 21.

Upon arrival in Berlin last Friday, Kim threatened to unfreeze its nuclear facilities, which the United States and its allies consider a serious violation of the nuclear deal.

At that time, Kim also insisted that the so-called South Korean standard nuclear model did not exist and therefore the South Korean type cannot even become an issue at the talks.

The fact that Kim did not make the threat during the talks, therefore, greatly encouraged the South Korean and the U.S. Governments to think that the North has no intention of breaking the framework agreement, he said.

Despite confirming that the North raised the issue of acquiring American or Russian-made nuclear reactors during the talks, the official said, "That's just a tactic to confuse us."

The North Koreans insisted that they will not accept the name of South Korean models nor South Korea's central role in the construction of the reactors to be provided to the North, said the official.

"The North Koreans cited a lot of political, economic and technical factors as reasons for their refusal to accept the South Korean models," he said. "However, we (South Korea, the United States and Japan) have already come up with measures to deal with a variety of possible scenarios concerning the developments of the North Korean nuclear issue."

On reports that Pyongyang and Washington may hold high-level talks to resolve gaps on the type of nuclear reactors, he said that neither side raised the issue during the talks and the Berlin talks were adjourned, not broken, for another round of talks at the same level.

He was not sure whether the North would accept the Korean Peninsula Energy Development Organization (KEDO) as a future partner for talks for the provision of nuclear reactors to the North, just saying the issue on the type of the reactors should first be solved because the KEDO itself is tasked with the provision of South Korean model reactors to the North.

On reports that North Korea proposed to accept South Korean reactors in return for getting additional financial assistance for the construction of nuclear facilities related to the operation of the nuclear reactors as well as favorable conditions for the refund of the construction expenses, he said, "I cannot confirm the reports because that's an important part of negotiations."

North Reportedly Eases Stance

SK2803012695 Seoul YONHAP in English 0112 GMT
28 Mar 95

[FBIS Transcribed Text] Berlin, March 27 (YONHAP)—North Korea somewhat eased its stance on the light-water nuclear reactor issue Monday, expressing willingness to accept a South Korean firm's participation in the reactor project, it was learned.

The softened Pyongyang position was conveyed to the United States side at the nuke experts' talks between the two countries Monday, that adjourned Monday, two days ahead of schedule, a source involved in the talks said.

North Korean officials demanded that an American enterprise become a principal contractor in a light-water reactor supply contract and take an overall control of designing, manufacturing and constructing reactors, but presented a new proposal that a South Korean firm may take part in their manufacturing and construction, according to the source.

But the North Koreans stuck to their earlier stance that they cannot accept a South Korean firm's taking control of the light-water reactor project as the main contractor. Neither they suggested a share to be taken up by a South Korean firm. [sentence as received]

South Korea, the United States and Japan, principal members of the Korean Peninsula Energy Development Organization (KEDO), tasked with financing and building the reactors, think that the North Korean proposal cannot become a basis of negotiations, but concur on the need of continuing the negotiations so as to resolve the nuclear reactor issue, according to the source.

The North Koreans also took a step back from their unyielding threat to scrap the Geneva nuclear agreed framework unless a reactor supply contract is signed by April 21, which they demanded at the beginning of the experts' talks over the weekend. Instead, they took a more flexible position to extend the negotiations beyond that date.

At the third day of the experts' talks Monday, U.S. and North Korean officials primarily negotiated contents of a reactor supply contract, and agreed to adjourn, concluding that their respective stands exchanged thus far needed internal reviews.

In a joint statement, they said that a sincere and detailed discussion took place on the major issues for resolving the light-water reactor supply agreement. However, they declined to disclose the details.

Both sides agreed to adjourn the talks and report the contents of the talks to their respective governments, and the United States will consult with South Korea and Japan as well, the statement added.

The final sessions of the experts' talks held at the American Embassy Monday morning and the North Korean interests mission in the afternoon respectively dealt mainly with the financing and conditions of the provision, major pending issues in regard to the reactor supply contract.

North Korean officials reportedly demanded over 10 incidental expenditure items, including transmission and distribution facilities, reactor fuel storage and simulators, which all require an enormous sum of money. They also demanded compensations for their abandonment of graphite-moderated reactors and loss of electricity from nuclear power plants they planned to construct.

U.S. officials countered that they cannot supply facilities other than the power plant site, and that unrealistic compensations are inconceivable, the source said.

Nevertheless, the source said that chances are high for the two sides to resume negotiations in one form or another as the North Koreans expressed hope for continuing the talks.

Given that Pyongyang has stressed April 21 as the target date for concluding a reactor supply contract, the negotiation is likely to be resumed before that date, and it is expected to be another discussion between experts, according to sources.

North Koreans did not propose at the experts-level talks a senior Pyongyang-Washington channel of negotiation to break the stalemate, as claimed by some reports. The possibility cannot be ruled out, however, that high-level bilateral contact will be sought sometime in April in the event that the deadlock on the style of light-water nuclear reactors is not broken.

DPRK 'Alternative Proposals' Noted

*SK2803044495 Seoul KBS-1 Radio Network in Korean
0300 GMT 28 Mar 95*

[FBIS Translated Text] The government has begun to work out relevant, multifaceted follow-up measures in

the belief that the U.S.-North talks in Berlin were not completely ruptured, even though the talks concluded without any progress.

Reporter Yi Hyon-chu reports from the Ministry of Foreign Affairs:

[Begin Yi Hyon-chu recording] As the Berlin expert-level talks on supplying light-water reactors to the North were suspended [chonghoe], the government will immediately hold negotiations with the United States and Japan to map out relevant countermeasures.

One government official concerned said that at the latest expert-level talks, North Korea presented certain alternative proposals to our side. We are going to examine these proposals item by item at the talks by the ROK, the United States, and Japan, which will be held in the future.

He noted that as North Korea's intention to reject our central role, ROK's central role, is clearly seen in the alternative proposals, it will presumably be difficult to make an affirmative examination of such proposals.

He added that it is important to note that North Korea did not show any direct intention to rupture the talks. Depending upon the progress of the future talks, there also exists a considerable possibility that an affirmative settlement will be made in a certain direction. In future ROK, U.S., and Japanese talks, the government will focus on discussing a future course and the management of the future situation. [end recording]

Editorial: U.S. Bombing Exercise 'Imprudent'

*SK2803032695 Seoul HANGYORE SINMUN in Korean
28 Mar 95 p 3*

[Editorial: "U.S. Bombing Exercise May Cause Tension"]

[FBIS Translated Text] The U.S. Government officially gave its approval for the World Vision Society to send grain aid to North Korea. On the other hand, the United States sent the most advanced strategic bombers capable of launching nuclear weapons to the ROK for a bombing exercise above the west coast and at Air Force exercise ranges in the North Kyongsang Province area. This is not only inconsistent, but also imprudent, considering the current situation of North Korean-U.S. relations. There is no reason for the U.S. Government to disapprove of the humanitarian activities of the World Vision Society, a civilian charity group, to help North Koreans who are suffering from a food shortage. We have to question why the United States selected the ROK as the exercise site for the mighty B-1B bomber at such a time. Frankly, we do not expect a clear answer.

North Korean-U.S. relations are presently at a serious crossroads. In the ongoing expert-level talks being held in Berlin on the light-water reactors to be supplied to North Korea, the two sides are facing difficulties in

achieving a compromise. The hard-won North Korean-U.S. agreement is in crisis. It is very likely that the United States chose to demonstrate a show of force through the B-1B bomber exercise to escape the crisis.

We question whether the show of force will exert effective pressure on North Korea. Even if it does, was the choice of means inevitable? We do not agree with the idea of solving the stalemate in North Korean-U.S. relations through military pressure. The policy should be seriously reconsidered if such a military move creates tension on the Korean peninsula. Even if the light-water reactor issue is blocked by the ROK Government's will to supply ROK-style reactors, nobody would accept a resolution that would cause tension on the Korean peninsula.

U.S. Forces in Korea may be positively appraised as long as they relieve tension and stabilize peace on the Korean peninsula. However, U.S. Forces would be criticized if the Team Spirit exercise aggravates North-South relations and destroys the peace system in Northeast Asia. An exercise with U.S. bombers capable of launching nuclear weapons may only create tension rather than contribute to peace on the Korean peninsula. The United States eased economic sanctions on North Korea and approved grain exports to North Korea. We hope the United States will maintain consistency in its choices and contribute to stabilizing peace on the Korean peninsula.

U.S. Business Dealings With DPRK Viewed

SK2803040195 Seoul HANGUK ILBO in Korean 28 Mar 95 p 1

[Report by Ko Tae-song]

[FBIS Translated Text] Assessing the recent economic cooperation activities of some U.S. enterprises with North Korea such as the signing of contracts for trade and investment in the energy industry, clothing industry, and the like, as having gone beyond the level stipulated in the U.S. Government's relaxation of economic sanctions against North Korea, the government was learned to have asked the U.S. Government on 27 March, to look into the matter.

A diplomatic source in Seoul said that "the recent activities of some U.S. business firms with North Korea appear to have gone beyond the position taken by the U.S. Government, and the restriction of U.S. enterprises' activities regarding North Korea is the characteristic right of the U.S. Government which is stipulated by U.S. domestic law. Such activities by U.S. enterprises may affect the overall structure of the DPRK-U.S. agreement, as well as North-South relations."

The U.S. (Stenten) Group has recently concluded a contract with the "Korea Facilities Corporation" to establish a joint-venture firm, and the contract stipulates investment by the (Stenten) Group in North Korea. Furthermore, it has been learned that the two sides

agreed to exports by the (Stenten) Group of various facilities needed by North Korea's energy industry such as in the renewed operation of thermal power plants.

In addition to the (Stenten) Group, a U.S. business delegation composed of a number of U.S. enterprises has reportedly concluded a provisional contract with North Korea for constructing a runway, airport, and port in the Najin-Sonbong district, and is actively reviewing plans for investment in North Korea in an attempt to advance into the clothing market.

Japan's DPRK Visit Criticized as 'Untimely'

SK2803074495 Seoul HANGUK ILBO in Korean 28 Mar 95 p 3

[Editorial: "Japan Delegation's Untimely Visit to the North"]

[FBIS Translated Text] A delegation of the Japanese ruling coalition consisting of the Liberal Democratic Party [LDP], the Social Democratic Party of Japan [SDPJ], and the new Sakigake Party will visit North Korea for three days beginning 28 March. We cannot help but pay attention to the fact that the three-party delegation plans to visit North Korea at a delicate time when the deadline for concluding an agreement on the Korea Peninsula Energy Development Organization [KEDO]—for which the relevant negotiating parties are in acute confrontation over the question of the adoption of ROK-style light-water reactors—is less than a month away.

The LDP, which initiated the visit, maintains that the coalition is dispatching the delegation with a view to finding a way to resume talks on normalizing Japan-DPRK diplomatic relations, which were discontinued in November 1992, and in order to obtain the Japanese people's understanding for funding KEDO. This notwithstanding, it is still hard to understand why this delegation should visit the North at this time. Moreover, there are too many ambiguities regarding the process through which Japan negotiated with the North regarding the delegation's visit.

At the moment, North Korea continues to reject ROK-style light-water reactors, and some people are voicing concern that the U.S.-North Korea agreement might be abrogated. Now is the time when ROK-U.S. unity and cooperation are needed more than ever before. Under these circumstances, the Japanese delegation's visit to North Korea might shake the cooperative system of the three nations [the ROK, the United States, and Japan].

This may be why, unlike in the past, North Korea has been active in inviting the Japanese delegation. In 1994, when the question of a Japanese ruling coalition delegation's visit to the North was raised, North Korea turned down a proposal for the visit, alleging that Japan was trying to break the promise that the LDP and the SDPJ made to the Workers Party of North Korea in 1990,

which was that: "We will compensate for the loss incurred during the 45 postwar years."

This notwithstanding, North Korea has ambiguously put aside this question to invite this delegation. In view of this, we can guess that North Korea is trying to shake up the cooperative system among the three countries, as well as to solve its internal economic difficulties.

We cannot understand the attitude taken by Japan which is fully aware of such ulterior motives of North Korea. First of all, it is difficult for us to understand the process by which this visit has been arranged. Prior to this point, Japan's channel of dialogue with North Korea has been the SDPJ. The real reason that the LDP abruptly took the initiative on this issue remains unclear.

Another question concerns the background for Japan's breaking its promise with the ROK. As far as negotiations with the North are concerned, Japan has taken every opportunity to promise that it would hold broad negotiations with the ROK before holding any negotiations with the North and would pay attention to the progress made in South-North dialogue. Breaking such a promise, Japan held secret talks with delegates from the Workers Party of North Korea in Singapore and pushed for a Japanese delegation's visit to the North. Japan owes us more than an explanation.

No matter how impatient it feels over lagging behind the United States in the advance into North Korea, Japan should look squarely at the situation on the Korean peninsula where South-North dialogue remains discontinued and the suspicions about North Korea's nuclear development have yet to be completely removed. Still unclear is North Korea's attitude regarding Japan's promise that it would compensate for losses incurred during the 45 postwar years. Still failing to fine-tune their differences in opinion, the three Japanese parties have vaguely indicated that: "We recognize [such losses] as historical fact."

[Japan] should keep in mind that this extraordinary act, which the ruling coalition has committed with the upcoming elections in mind, might damage the ROK-U.S.-Japanese cooperative system and peace on the Korean peninsula. We hope that the visit to the North by the Japanese ruling coalition's delegation will not be pursued from the standpoint of pursuing each individual party's strategy, but will contribute to the promotion of South-North dialogue and to peace on the Korean peninsula, including the removal of suspicions surrounding North Korea's nuclear development.

Daily Assesses DPRK's Food, Grain Situation

SK2803012995 Seoul TONG-A ILBO in Korean 25 Mar 95 p 6

[Article by reporter Pak Chae-kyun: "Self-Sufficiency Rate Is 58 Percent—They're Surviving Off Livestock Feed"]

[FBIS Translated Text]

Food Situation

In the nineties, North Korea's food situation worsened to the extent of experiencing what we refer to as a grain shortage. North Korea's grain situation in the eighties was not as bad as it is today.

Even though it was "for show," North Korea sent 7,200 tonnes of rice to South Korea as relief supplies when floods inundated South Korea in 1984. The failures in agriculture caused by the so-called "chuche methods of farming" in the late eighties, however, made it difficult for North Korea to keep up with the grain demand.

In 1990, it harvested 4.81 million tonnes of grain—670,000 tonnes less than it harvested in 1989. This is far below the 1980's average of 5.1 million tonnes. The situation has further worsened since 1991. This is because grain imports have dropped drastically since the collapse of the former Soviet Union and East Europe. For example, while grain demand in 1992 was 6.5 million tonnes, grain production in 1991 was a mere 4.427 million tonnes. North Korea presumably imported 830,000 tonnes of grain in 1992. This means it was short 1.243 million tonnes.

The situation worsened in 1993. A cold wave hit Northeast Asia in that summer. Temperatures were two to three degrees centigrades lower than usual. This seriously affected grain crops in North Korea and the harvest amounted to 3.884 million tonnes. This was the first time since the eighties that the 4-million-tonne mark was not reached.

The meager crop of 1993 added to the food shortages last year. While North Korea's grain demand in 1994 was 6.67 million tonnes, it was unable to provide 2.786 million tonnes of grain. In addition, the grain self-sufficiency rate dropped beneath the 60 percent mark for the first time in history, to 58.2 percent.

However, North Korea's agriculture showed signs of recovery last year. Efforts were concentrated on supplying labor and agricultural equipment to Yonbaek field, its biggest grain basket. As a result, its grain production increased to 4.125 million tonnes (according to an ROK Rural Development Administration estimate), but its crop that year remained far below its demand.

North Korea began importing cheap livestock feed since the start of the 1990's to fill the shortages. It has managed to endure the food crisis by reducing food rations, rationing grain for livestock and processed food, and distributing reserve grain.

North Korea's grain shortages resulted from failures in agriculture. A plenary session of North Korea's Workers Party approved a project to reclaim 300,000 chongbo [one chongbo equals 2.45 acres] and a project to find

200,000 chongbo of new land in October 1976, and North Korea has since actively carried out these projects.

Rather than contributing to increasing grain production, construction of terraced dry paddies has brought about adverse results. This project was carried out to increase arable land in North Korea, whose terrain is mountainous. North Korea cleared forests to build terraced dry paddies, and the slightest rainfall caused the earth to wash away and bury crops on terraced dry paddies and paddies at the foot of mountains. This was a major factor in the decrease in grain production.

In October 1981, North Korea released a five-point nature rebuilding project, which included construction of facilities to supply water to dry paddies, improvement of arable land, and afforestation and water-conservancy. It has pursued the plan to mechanize farm work, build irrigation systems, use electric equipment in farming, and use chemical fertilizers in farming since the 1980's. In this way, North Korea is making every effort to bring an end to the grain shortages.

However, their efforts have failed to bear fruit because of the lack of motivation in the collective farming system, the loss of arable land, the diminishing fertility of land due to the excessive use of fertilizers, the lack of agricultural equipment, backward farming methods, and the shortages of irrigation facilities.

Status of Grain Imports

Until the eighties, North Korea had imported grain mainly from China, the former Soviet Union, and Eastern Europe. North Korea and China were mainly engaged in barter trade with North Korea exporting rice to China and importing corn. It also imported rice from the former Soviet Union and Eastern Europe.

Grain imports dropped drastically in the nineties with the collapse of the former Soviet Union and Eastern Europe. Therefore, North Korea diversified its import sources to Thailand, Australia, Canada, Turkey, and other countries. Of these countries, North Korea made special efforts to import rice from Thailand, a major rice exporter. Yon Hyong-muk, then premier of the Administration Council, visited Thailand in January 1991, and the visit was followed by the opening of permanent missions at each other's capitals in March and 80,000 tonnes of rice imports from Thailand in 1991. Following this, North Korea imported 20,000 tonnes in 1992 and a total of 250,000 tonnes of rice in 1993—100,000 tonnes of polished rice and 150,000 tonnes of broken rice—as food.

It is worth noting that North Korea began to cut grain deals with the "U.S. imperialists" in the early 1990's. However, North Korea and the United States have cut grain deals mostly through third countries and refrained from making such deals public. Therefore, no exact statistics are available.

According to pertinent ROK Government and business sources, North Korea imported some 150,000 tonnes of wheat from the United States in 1991. U.S. Commerce Department statistics indicate that North Korea imported vegetables and fruits worth \$30,000 in 1990.

The FAR EASTERN ECONOMIC REVIEW reported in September 1993, that North Korea imported some 250,000 tonnes of grain worth \$200 million from the United States in the 1992-1993 period. In May of last year, Nikko [name as transliterated] Enterprises, a U.S. trading firm, admitted to dealing with North Korea when it revealed that North Korea had not paid approximately \$48.6 million for wheat imports.

When North Korea and the United States signed the Geneva agreement last October, most barriers to North Korea-U.S. trade were removed. As a result, Bartlett and Co. reportedly has directly exported 54,000 tonnes of corn to North Korea.

North Korea has also tried to import grain from South Korea. In 1991, South Korea's Chonji Trading agreed with North Korea to export 5,000 tonnes of rice and to receive cement and coal imports from North Korea in payment. However, North Korea did not send the cement and coal after receiving the rice.

With the South Korean Government allowing grain deals with North Korea as a means of revitalizing North-South economic cooperation, and with President Kim Yong-sam's expression of his willingness to supply grain to North Korea, the likelihood of North-South grain deals has increased.

In spite of North Korea's efforts to diversify its import sources, China remains North Korea's largest grain import source. In 1993, North Korea imported 740,000 tonnes of grain from China, 68 percent of the total 1.09 million tonnes in grain imports.

President's 'Harsh Remarks' on North Criticized
SK2803015595 Seoul THE KOREA TIMES in English
28 Mar 95 p 2

[FBIS Transcribed Text] The main opposition Democratic Party has asked President Kim Yong-sam to refrain from making harsh remarks on North Korea on the reactor issue as they will increase tension on the peninsula.

The DP reached the conclusion during a weekly meeting of vice presidents yesterday that President Kim's repeated warnings of possible international sanctions if the North does not accept South Korean reactors, worsening inter-Korean relations.

Emerging from the meeting presided over by party president Yi Ki-taek, spokesman Rep. Pak Chi-won told reporters that his party will not sit idle if the party's demand is not heeded.

The DP's preemptive action against the ruling camp came days after President Kim issued strongly-worded warnings against North Korea for its refusal to accept the South Korean-model light nuclear reactors for its nuclear reactor project in commencement ceremonies of Korea Military and Naval Academies last week.

President Kim told newly-commissioned officers that North Korea will face harsh sanctions from the United Nations unless it fails to faithfully obey the Geneva accord with the United States.

"We still have vivid memories of the ruling camps exploiting the tension between South and North Korea during campaigns for major elections in the past," spokesman Pak said, worrying that President Kim's intimidation against North Korea may return the nuclear issue to a deadlock situation similar to one year ago and create a tension for a possible military conflict on the Korean peninsula.

The DP leaders noted the fact that President Kim's remarks came at a time when bilateral negotiations are under way between North Korea and the United States over a light-water nuclear reactor type in Berlin.

"The government leaders should refrain from using provocative words such as 'stern sanctions' under any circumstances," spokesman Pak said, calling upon President Kim to be careful in expressing remarks on inter-Korean relations.

Despite its warnings against the ruling camp's possible use of the worsening inter-Korean relations for the upcoming local elections, the DP asserted that the Geneva nuclear accord signed by Washington and Pyongyang last October should be observed by both parties without fail.

"North Korea, in particular, should accept the South Korean-model nuclear reactors for its light-water reactor project, and the South Korean government should do its best to see it through," the DP spokesman said.

President Kim Repeats 'Warning'

SK2803062495 Seoul YONHAP in English 0606 GMT
28 Mar 95

[FBIS Transcribed Text] Chongju, North Chungchong Province, March 28 (YONHAP)—President Kim Yong-sam called on North Korea Tuesday "to come to the inter-Korean dialogue table if it really wishes to solve national issues."

In a congratulatory speech at the Air Force Academy's commencement ceremony for newly commissioned officers, Kim reiterated his previous warning that North Korea would be subject to stern international sanctions if it fails to implement the nuclear agreement it forged with the United States in Geneva last October.

The North must immediately stop all acts which may create new tensions with the South and stop slandering the South, he stressed.

Noting that North Korea may have threatened the already unstable peace on the Korean peninsula by increasing its Armed Forces against its southern border, the supreme commander of the Armed Forces pointed out the need for the military to be fully prepared for any emergency.

"With a strong national security system can we keep our freedom and happiness and achieve national unification and play a central role in the stage of world affairs, and to this end, the civilians must not only support the military but also play a positive role in the national security system," he urged.

He went on to say, "The Air Force would be the key to a victory in war, and a deterrent against war in times of peace. All officers and men of the Air Force must keep in their mind that an Air Force capable of coping with any emergencies is a must for peace and prosperity of our country."

Kim then asked the Air Force to continue improving its defense capabilities by developing new weapons systems with built-in high-tech aeronautical and electronic devices.

He also stressed the need for the Armed Forces to become an economic and cost-effective fighting unit, displaying the maximum war capability at the minimum cost.

Pledging his support in the military modernization plan, Kim said the modernization of the Air Force would not only improve the nation's defense posture but also contribute towards developing a space and aviation industry.

Reporter Assesses State of Kim Chong-il's Health

SK2803064895 Seoul CHUNGANG ILBO in Korean 28
Mar 95 p 6

[Article by reporter Kang Yong-chin]

[FBIS Translated Text] Has Kim Chong-il really recovered his health? Some overseas Koreans who recently visited North Korea say that Kim's health has improved considerably. However, North Korean experts in the ROK say reports of Kim's recovery are not very reliable, because Kim suffers from various geriatric diseases—such as heart disease, liver disease, and diabetes—from which it is quite difficult to recover. They express doubt over reports of overseas Koreans and suspect that they were deceived by the North Korean authorities' crafty fabrication to demonstrate Kim's good health.

The source cited Kim's recent appearance on North Korean television as evidence of his recovery. The report says that in Kim's appearance at the Army agitators' meeting on 1 and 28 January, his face looked healthier and his steps were quicker than before, thus showing that his health had improved.

However, experts note that because Kim inherited heart disease from his father (Kim Il-song) and suffers from such diseases as diabetes, deterioration of the liver, and arrhythmia, temporary signs of vigor should not be considered as a recovery of his health. They maintain that Kim's health is so bad that the temporary recovery is of little significance. They also maintain that it is highly likely that Kim's appearance on North Korean television was largely the result of fabrication. It is reported that he has his face made up to conceal his sickly complexion when appearing on television.

The experts say that Kim's recent appearance on television shows that he lost much weight and that this probably is a sign that his chronic diabetes has deteriorated considerably. Since Kim suffers from heart disease and diabetes as a result of excessive nourishment, they think that doctors had to place Kim on a strict diet as his condition worsened, and that this resulted in a loss of weight.

A U.S.-resident Korean who visited North Korea in January, cited a senior North Korean official as saying that he heard that a blood test to examine Kim's liver functions showed 100-130, which is much higher than the normal 40-50, and that Kim therefore had to quit drinking.

There are reports of frequent visits by Chinese doctors to treat Kim's diabetes, and that North Korea has requested Japanese medical circles to develop a "special remedy" to treat his liver disease which reportedly is in a very bad state.

Customs Clearance for DPRK Products Simplified *SK2803064395 Seoul CHUNGANG ILBO in Korean 28 Mar 95 p 3*

[FBIS Translated Text] The ROK Customs Administration announced on 28 March that customs clearance procedures for North Korean products will be simplified starting in April in a bid to activate North-South trade.

North Korean products imported through a third country that remain in Japan or Hong Kong for one or two days, will not be required to have a certificate by the third country; a copy of the bill of lading will suffice. Any products that are proven to be made in North Korea will not require a certificate of origin for customs clearance.

DPRK Vice Presidents' Role Division Noted *SK2803063195 Seoul CHOSON ILBO in Korean 28 Mar 95 p 31*

[FBIS Translated Text] The post of DPRK president has remained vacant since Kim Il-song's death, and it appears that the four vice presidents of North Korea have consequently had to "share roles [yokhal pundam]." While Kim Chong-il may not be experiencing any problems in ruling North Korea in his capacity as supreme commander, this division of roles may be

regarded as an inevitable result of not having a leader to represent the country externally.

Presently, there are four vice presidents, namely, Yi Chong-ok, Pak Song-chol, Kim Yong-chu, and Kim Pyong-sik. Of these four vice presidents, it is Yi Chong-ok (79), who appears to be most actively conducting his duties. He held a series of talks with Jiang Zemin, state president of the PRC, and Premier Li Peng in Beijing from 29 to 30 September 1994 and also met with a delegation of the Russian Liberal and Democratic Party led by Zhirinovskiy on 6 October.

Pak Song-chol (82), is noted for his anti-South strategical work. He attended the "Resolution Meeting To Achieve Reunification in the Nineties" held in front of Kim Il-song's statue on Mansudae in Pyongyang on 13 August last year. Also, on 15 December, he encouraged the work of the General Association of Korean Residents in Japan during the "Central Reporting Meeting To Mark the 35th Anniversary of the Homecoming of Koreans Residing in Japan."

Kim Pyong-sik (76), who is chairman of the Social Democratic Party in North Korea where a one-party system is followed, seems to be playing an insignificant role in North Korea. On 4 March, he attended the World Summit for Social Development held in Denmark, but was ridiculed by participants at the meeting because of his flagrant praise of North Korea.

Kim Yong-chu (75), younger brother of Kim Il-song, conducts his activities less frequently. Since Kim Il-song's death, he has only met with one foreign figure, the Iranian ambassador to Pyongyang, who presented credentials to him on 13 October.

However, outsiders view him as a new force to be reckoned with. Rumors that he is experiencing conflicts with Kim Chong-il have emerged in China. It appears this is the reason for his lack of public appearances.

Background of DPRK 'Personnel' Director Noted *SK2803033495 Seoul CHOSON ILBO in Korean 28 Mar 95 p 31*

[FBIS Translated Text] It was learned on 27 March, that Yun Sung-kwan, 60, who is closest to Kim Chong-il, had been appointed to the post of director of the Organization and Guidance Department of the Workers Party, which is the center of all centers in North Korea's power hierarchy. The post of the director of the Organization and Guidance Department of the party Central Committee had remained vacant since 1974 when Kim Chong-il began working on inheriting power. As a result, Kim Chong-il, as secretary for organizational affairs in the party Central Committee, has virtually served concurrently as the director of the Organization and Guidance Department. The director of the Organization and Guidance Department is a powerful post which studies

the activities of and exercises the rights to personnel changes of cadres of the party, the government, and the military.

A source well informed on the internal workings of North Korea's power hierarchy said: "It is understood that Yun Sung-kwan was appointed to the director of the Organization and Guidance Department in 1993. North Korea makes it a practice not to officially announce the appointment of the directors of the departments of the party Central Committee. In particular, the appointment of the director of the Organization and Guidance Department is kept strictly confidential. Even high-ranking North Korean officials are ignorant of this."

Yun Sung-kwan had worked as the first vice director of the Organization and Guidance Department since 1989. Though he is close enough to Kim Chong-il to drink with him, Yun is not well known to the outside. In the meantime, some observers also point out the possibility that he may be performing the duties of the director while holding the post of the first vice director of the department, in view of the fact that even though the directors of other departments of the party Central Committee were roughly included in the top 40 lists of members of the funeral committees for the funerals of Kim Il-song and O Chin-u, Yun Sung-kwan did not appear on any of those lists.

A member of the Economics Department at Kim Il-song University, and thus an upperclassman to Kim Chong-il, Yun Sung-kwan reportedly became close to Kim Chong-il in the early 1970's while he was director of the General Bureau of Press of the Administration Council, as he assisted Kim Chong-il in Kim Chong-il's large-scale guidance to the press organizations, such as NODONG SINMUN, MINJU CHOSON, and the General Printing Shop. Since that time, Yun has taken almost full responsibility for propaganda and publication work, and has played a big role in the establishment of Kim Chong-il's unitary leadership system.

Known to have a very meticulous and methodical character, Yun has worked as the vice director of the party Propaganda Department and as a deputy to the Supreme People's Assembly, and is a member of the party Central Committee.

DPRK External Economic Official Profiled

SK2803054095 Seoul CHOSON ILBO in Korean 28 Mar 95 p 31

[FBIS Translated Text] The DPRK cabinet member who appears to be most busy these days is Yi Song-tae, chairman of the External Economic Committee. He is busy seeking markets in Southeast Asia. He is also involved in inter-Korean economic cooperation between the North and the South.

Early this month, Yi Song-tae visited Bangladesh for 10 days, leading a North Korean Government economic delegation, and discussed matters of economic cooperation with this country.

Earlier, in February, Yi Song-tae visited Thailand and consulted on the issue of rice imports. Upon returning from Thailand, Yi met with the Cuban Foreign Trade Minister to discuss issues of bilateral economic, scientific, and technological cooperation, and signed a protocol agreement.

In December 1992, while serving as trade counselor at the North Korean Embassy in Beijing, Yi was appointed to replace Kim Tal-hyon, as chairman of the External Economic Committee. The External Economic Committee has since become a standing committee under the Administration Council with the merging of the functions of the Ministry of Trade and the Ministry of External Economic Affairs.

The trade counselor in Beijing is a vice minister-level position. However, it is surprising for the trade counselor in Beijing to be promoted directly as chairman of the External Economic Committee, which conducts overall management over North Korea's trade with foreign countries. Such a surprising promotion would be impossible without winning the special confidence of Kim Chong-il.

Yi's began winning recognition for his abilities in 1988, when he served as vice minister of trade under Kim Tal-hyon. The two worked together for four years on North Korea's economic cooperation with foreign countries. During this period, they were directly involved in constructing the Najin-Sonbong free economic and trade zone and Nampo industrial complex for South Korea's business group Daewoo.

In July 1992 Yi accompanied then Vice Premier Kim Tal-hyon when the latter visited Seoul and directly observed the status of South Korea's economy.

Yi was born in Sinuiju, North Pyongan Province in 1943. He began working at a foodstuffs company as a functionary in March 1980. This was his first job in the external economic field. In the early eighties, Yi visited Japan three times on economic observation tours or on official trade business. With these visits as an occasion, he began to embark on a career involving external economic cooperation with foreign countries. He was appointed vice minister at the Ministry of Trade in 1987.

At present, Yi is engaged in trade and economic cooperation with foreign countries. He is also reportedly playing a core role not only in coming up with policies related to inter-Korean economic cooperation, but also in introducing investment by South Korean enterprises in North Korea.

Delay in Reporting on DPRK 'Conspiracy' Viewed

SK2703135895 Seoul HANGYORE SINMUN in Korean 26 Mar 95 p 3

[Editorial: "News Conferences Held by a Catholic Priest and Self-Surrendered Spy"]

[FBIS Translated Text] Since last summer, when the entire country was stirred by the Chusapa incident, Father Pak Hong, president of Sogang University, has been calm except for having each participant in this year's Sogang University entrance examination sign a "letter of pledge for liberal democracy." Lately, he was again spotlighted by the media because of reports that North Korea had ordered Han Pyong-hun to assassinate Pak Hong, the former having reportedly studied in Germany and returned to the ROK as a North Korean spy.

Several days ago, after a Belgian paper reported the rumor about North Korea's conspiracy to assassinate him, Father Pak presented himself to a court to expose this. News conferences backing Father Pak's testimony were held by Han Pyong-hun on 2 and 3 March, with Father Pak attending.

According to Han's news conferences, he has been acquainted with Father Pak since August 1990 when they met in Germany for the first time. Han visited North Korea four times from 1988 to 1995 to receive a closed education, and met Father Pak while working as a spy in Germany. Han said because he had been impressed by Father Pak's personal traits, he confessed to Father Pak that he is a spy and that he received orders from North Korea to assassinate him.

According to Han's allegation, he came to the ROK after receiving the assassination order from a North Korean spy in July 1994 when the "Chusapa swell" overwhelmed the country; confessed the North Korean conspiracy to Father Pak on 3 September; and surrendered to the Agency for National Security Planning [NSP] on 5 September—that is, he first notified the "target of assassination" about the conspiracy then surrendered himself to the security agency.

From a common sense point of view, this should have been announced at that time. It is difficult to understand why the NSP did not announce this major incident when the authorities and most of the media were making great attacks on the invisible Chusapa under the prevailing new security-oriented situation. It is also difficult to understand Father Pak. Without clear evidence, he mentioned that the student movement is under the control of North Korea, and that the number of Chusapa in South Korea is between 15,000 to 30,000, being absorbed in ROK-style McCarthyism. By the way, after the "spy" who allegedly received his order to assassinate Father Pak confessed the conspiracy, why did Father Pak not inform the media at that time?

In recent days, domestic media have been busy reporting the news conferences held by Han and Father Pak. Those who remember the allegation that "North Korea possesses five nuclear bombs," which was made last year by a so-called son-in-law of the North Korean premier and later became a laughing-stock, want the authorities and media to handle this matter more prudently.

U.S. Port Facilities Open to Civilians in May *SK2403092895 Seoul KYONGHYANG SINMUN in Korean 24 Mar 95 p 2*

[By reporter Yi Chung-kun]

[FBIS Translated Text] The eighth wharf of Pusan port, which the U.S. Forces in the ROK have used exclusively since the start of the Korean war in 1950, will be open to civilian use after 45 years.

An ROK Defense Ministry official said on 23 March: "Due to the January earthquake in Japan, Pusan port now has a significant backlog of goods to be loaded and unloaded. Therefore, the ministry and the U.S. Forces have reached a tentative agreement to open three berths of the Eighth Wharf to civilian use." He also said that the wharf will be open to civilian use around May after going through formal procedures.

This official also said: "The wharf will not be completely open to civilian use." He added: "It has not been decided yet whether civilian ships will be allowed to enter at certain hours of the day or according to what they're transporting."

The eighth wharf of Pusan is 33,000 square meters wide, with a loading capacity of 830,000 tonnes and the capability of handling two boats, including a 15,000-tonne boat, at the same time. The U.S. Forces in the ROK used to make frequent use of the port facilities until the early 1980's. Now, however, cargos loaded with weapons, military vehicles, and warships use the facilities only once or twice a month. The ROK Defense Ministry has been negotiating for the use of the eighth wharf of Pusan with the U.S. Forces in the ROK on behalf of the Maritime and Port Administration.

DPRK Rejects PRC Demand for Access to Sea *SK2803093995 Seoul YONHAP in English 0929 GMT 28 Mar 95*

[FBIS Transcribed Text] Hong Kong, March 28 (YONHAP)—North Korea has flatly rejected Chinese demand for its right to use the Tumen River as a sailing route to East Sea, informed sources here said Tuesday [28 March].

The sources, well versed in North Korean affairs, said the Chinese Government has repeatedly made verbal and written statements to the North Korean Government through the local government of the Yanbian Korean Autonomous Prefecture in China, demanding North Korea "reinstate Chinese sailing rights in the Tumen River."

They said North Korea's repeated refusals of the Chinese demands have further worsened their bilateral relationship which had already been strained by the establishment of South Korea-China diplomatic relations and Chinese Premier Li Peng's visit to South Korea last year.

Displeased with the North's refusal, China has reportedly applied pressure on North Korea in one way or another, restricting Chinese investment in North Korea, said the sources who met with both North Korean Administration Council members and Yanbian Government officials in China.

Touching on reasons for the refusal, the sources said, North Korea was apparently worried that foreign investors will flock to China's northeastern region through the river, bypassing North Korea's Najin-Sonbong Free Trade Zone. Pyongyang officials were also wary about the possibility of China trying to utilize the sailing rights for military purposes.

North Korea has made it clear it does not want to discuss this issue further with China, the sources said.

Foreign Minister Meets PRC Party Official

*SK2803075895 Seoul YONHAP in English 0745 GMT
28 Mar 95*

[FBIS Transcribed Text] Seoul, March 28 (YONHAP)—A senior Chinese Communist Party official expressed hope Monday [27 March] for the peaceful reunification of the Korean peninsula through resumed inter-Korean dialogue, according to Foreign Ministry Spokesman Yu Kwang-sok.

Yu also quoted Li Shuzheng, head of the Chinese Communist Party's International Liaison Department, as saying that she supports the nuclear deal reached between North Korea and the United States in Geneva last October.

Li's comments were made during a meeting with Foreign Minister Kong No-myong Tuesday afternoon on enhancing bilateral cooperation, said the spokesman.

The Chinese official also backed the denuclearization of the Korean peninsula, according to Yu.

Li flew into the country Monday at the invitation of the ruling Democratic Liberal Party (DLP) for a nine-day visit.

Deng Nan on Opening Up Policy, Deng's Health

*SK2803120395 Seoul YONHAP in English 1149 GMT
28 Mar 95*

[FBIS Transcribed Text] Seoul, March 28 (YONHAP)—Deng Nan, visiting Chinese vice State Science and Technology Commission minister, said here Tuesday [28 March] China will carry on the present open-door policy without any halt.

In a press interview, Deng, who is the second daughter of Chinese paramount leader Deng Xiaoping, said, "All the Chinese people have benefited from the open door policy, so our reformative policy cannot be reversed."

She observed that after her father's death, a collective leadership system with President Jiang Zemin in the center will lead China.

Asked about her father's health condition, Vice Minister Deng said all she can say is that prior to her departure for Seoul, she called on him at his residence to tell him about her visit to Korea.

Deng said she believes cooperation between the two countries in the areas of science and technology has progressed at a rapid pace.

"I hope the success in science and technology cooperation will lead to successful industrial cooperation between the two countries," she said.

Earlier in the day, Vice Minister Deng conferred with her Korean counterpart, Vice Science and Technology Minister Ku Pon-yong, on ways to further promote bilateral science and technology cooperation.

The two sides agreed at the meeting to set up a Korea-China Elementary Science Exchange Committee, to support cooperation between the two countries' science and technology institutes, and to jointly sponsor Korea-China industrial technology seminars.

Minister Urges Japan 'Settlement' of Past Deeds

*SK2403035695 Seoul YONHAP in English 0254 GMT
24 Mar 95*

[FBIS Transcribed Text] Seoul, March 24 (YONHAP)—Minister for Political Affairs Kim Yun-hwan on Thursday [23 March] called for Japan's clear-cut settlement to the problems caused by the crimes during its imperialistic period.

Kim, the Seoul-side chairman of the South Korea-Japan Parliamentarians Union, claimed that Japan, as an economic power, must now show itself as a truly peace-loving country positively contributing to the world order.

Kim made the remark in a speech at the International Academic Meeting on Korea-Japan Relations in the 21st Century held at the Shilla Hotel in Seoul under the auspices of the Modern Japan Research Association.

Referring to a Japanese parliamentary move to adopt an anti-war and apology resolution, Kim said that "whether or not Japan openly elucidates its intention of not going to war in the form of a parliamentary resolution is not a matter which has to involve third countries."

He emphasized that South Korea and Japan will be able to welcome the 21st century jointly as future-oriented companions when they build up mutual trust by correctly understanding history and reflecting on past wrongdoings.

"There still remain dregs of displeasure in the sentiment of Koreans," he said. "We cannot overlook the reality

that many countries damaged by Japan in the past are worrying about the resurgence of Japan's imperialism and militarism."

Seoul Offers To Refurbish Freedom Fighter Tomb
SK2703102095 Seoul YONHAP in English 0800 GMT 27 Mar 95

[FBIS Transcribed Text] Seoul, March 27 (YONHAP)—South Korea will not push ahead with a plan for the return to the country of the remains of a legendary freedom fighter during Japanese colonial rule that are buried in Kazakhstan, unless Korean residents there strongly want the remains of their idol returned to South Korea, a Foreign Ministry spokesman said Monday [27 March].

The South Korean Government instead offered to refurbish the tomb of Gen. Hong Pom-to in Kzyl-Orda, northwest of the Kazakhstani capital of Almaty, so it could serve as a historic site for over 100,000 ethnic Koreans living in Kazakhstan as well as for visiting Koreans, said the spokesman.

The government delivered its strong protest to the Kazakhstan Government against North Korea's attempt last August to return Hong's remains to the North, where Hong was born, insisting that the remains should either be repatriated to South Korea or stay in Kazakhstan.

The government fears that North Korea may want to use the remains of Hong, deemed a psychological prop for Koreans both at home and abroad, for political propaganda purposes.

The government meanwhile dismissed reports that South Korea and Kazakhstan recently agreed to return the late general's remains to South Korea.

The government has posthumously awarded Hong the Presidential Medal Order of Merit for National Foundation in 1962 to honor Hong's feats in battles against the Japanese Army to force the Japanese out of the country during the Japanese colonial rule of the Korean peninsula.

Position at UN Conference on Fishing Viewed
SK2603035395 Seoul THE KOREA HERALD in English 26 Mar 95 p 8

[FBIS Transcribed Text] Korea, like most fishing countries, is opposed to the adoption of a legally binding and comprehensive document aimed at managing living resources of the high seas at the forthcoming session of the United Nations fisheries conference.

At the U.N. Conference on Straddling and Highly Migratory Fish Stocks scheduled for March 27 to April 12 at the U.N. headquarters in New York, Korea is expected to call for the strengthening of flag states' duties to ensure responsible fishing on the high seas, the National Fisheries Administration (NFA) said yesterday.

"Flag states should also strengthen their domestic regulations on fishing on the high seas. Without assurance that nonflag states would not abuse the rights of arrest, those measures would not serve the global goal of strengthening a conservation regime," said an NFA official.

Representatives from fishing countries, including Korea, Japan, China, Poland and Spain, are scheduled to meet today to harmonize their opinions prior to the formal session.

At the previous three sessions, which first started in July 1993, the nation's basic position has been that it could accept inspection of vessels at the request of flag states and the denial of access of facilities by port states. But it could not accept the detention of vessels by port states.

Coastal states have wanted conservation measures prescribed for the high seas, while fishing states have wanted such measurements applied to exclusive economic zones.

Korea has sustained the position that conservation measures would be incomplete and ineffective if they were less stringent in exclusive zones than they were on the high seas, hoping a clear and compatible conservation regime must be established in exclusive economic zones as well as on the high seas.

It also suggested that fishing states be called upon to "take into account" the conservation measures established by coastal states, instead of being mandated to "respect" those measures.

At the forthcoming session, participants are to adopt a revised negotiating text drafted by its chairman, which addresses, among other, cooperation among states to ensure long-term sustainability of living marine resources of the high seas.

Kim Chol-su Vows To Be 'Competent Arbitrator'
SK2503100195 Seoul THE KOREA HERALD in English 25 Mar 95 p 2

[FBIS Transcribed Text] Trade Ambassador Kim Chol-su, set to become a deputy director general of the World Trade Organization (WTO), said yesterday that he will try to reconcile the interests of advanced nations with those of developing countries.

"As a man who has been engaged in trade area for the last two decades, I believe I will be able to do meaningful works while in office," he told reporters.

He vowed to play the role of a competent arbitrator of competing interests between developed and developing countries in the successor organization of the General Agreement on Tariffs and Trade.

The former Korean trade minister said he is sorry that he could not become the first WTO director general, the post he had campaigned for during the past several months.

But he said it is still an accomplishment to become a deputy director general of the WTO, which will shape the new world trade order.

Kim will be the first South Korean to take such a prestigious post of an international organization.

He said his nomination to the post will serve as a momentum for more Koreans to play leading roles in various international bodies.

Kim bowed out of the two-way race with Renato Ruggiero, former Italian trade minister, earlier this week when the United States offered him a new and fourth post of deputy to the WTO head.

Representatives from WTO member states approved the nomination of Ruggiero as the first director general of the body Thursday. They also endorsed the deal between Seoul and Washington to create a post of fourth deputy director general for Kim.

Under WTO rules, Kim will be appointed to the post by the new WTO head, Ruggiero, who is to start his single four-year term May 1.

Kim said his function as a deputy head of the world trade body will be determined after consultations with the new WTO director general.

He pledged to conduct with eagerness whatever works will be assigned to him. Kim, however, refused to be specific about what fields he wants to deal with, saying "It is improper to comment on that matter at the moment."

Kim said he does not believe South Korea is more obliged to advance market liberalization because he is to join the WTO leadership.

"Market opening is a matter which is up to our judgment and decision," he said.

Kim added, however, that he believes South Korea, which is on the doorstep of entering the Organization for Economic Cooperation and Development, an economic club of advanced countries, will have to open its market continuously and gradually.

President Pledges To Spur Foreign Investment

SK2803014795 Seoul THE KOREA TIMES in English
28 Mar 95 p 1

[FBIS Transcribed Text] President Kim Yong-sam yesterday pledged that the government will soon drastically cut red tape to spur foreign investment in Korea.

"I have ordered economic ministers to start from the bottom and cut all red tape that hinders foreign investment here," Kim told heads of the nation's five leading economic organizations during a luncheon at Chongwadae [presidential offices] yesterday.

"The government will do everything within its ability to facilitate foreign investment," Kim was quoted as saying

by Han Yi-hun, his senior economic secretary who briefed reporters on the meeting.

Kim's meeting with the five economic leaders, including Chae Chong-hyun, Sunkyong Group chairman who heads the Federation of Korean Industries (FKI), drew public attention as it came amid reports of friction between the government and chaebol (conglomerates).

The meeting with economic leaders, the first since August 1993, signals a thaw in the government-chaebol relationship which turned sour after President Kim pushed for streamlining of the chaebol structure and deconcentration of the wealth of their owners, according to economic analysts.

Kim made the remarks on spurring foreign investment here while discussing with the business leaders on how to make best use of the appreciation of yen in international money markets.

Kim and business leaders agreed that Korean businesses should utilize the yen's appreciation to rectify the chronic trade imbalance between Korea and Japan which has been in Seoul's disfavor, senior presidential economic secretary Han said.

As part of the efforts, Kim suggested Korean businesses strive to attract Japanese firms producing auto and other industrial parts to invest here.

Earlier in a meeting of economic ministers, Kim asked the Cabinet to expand incentives to induce more Japanese investment.

Deputy Premier-Finance-Economy Minister Hong Chae-hyong reported to the President that the government will soon give export and import incentives to foreign firms in the Kwanju Pyong-tong and Chonan foreign investment zones.

Kim told the five economic heads that the government will increase financial support to small and medium-size industrial firms now suffering from financial crunches, including making available 800 million dollars in commercial loans at the earliest possible date.

During the luncheon, Ku Pyong-hoe, president of the Korean Traders Association, and Pak Sang-hui, president of the Korea Federation of Small Business, called for more concern and support from the government and the people to help small industrial firms which are now losing their competitive edge to industries of China and newly emerging industrial countries in Southeast Asia.

President Kim instructed economic ministers to continue the economic stabilization policy in order to maintain sound economic growth based on exports and investment in industrial facilities.

Presiding over an expanded meeting of economic ministers yesterday morning, Kim stressed the need for stability to maintain the current economic boom at optimum level for a considerable period of time.

To prevent hectic campaigning for the upcoming local elections from disturbing sound economic management, the Chief Executive vowed that the government will exert every effort to make the elections the most clean and fair in Korea's electoral history.

Kim cautioned against the distortion of monetary flow and manpower supply which is expected during the local election campaign period.

Easing Import Restrictions on Technology Planned

SK2803022295 Seoul THE KOREA HERALD in English 28 Mar 95 p 8

[FBIS Transcribed Text] Korean businesses will be able to import foreign technology without reporting to related government ministries from next month, except for three industries of aerospace, defense and nuclear power, the Ministry of Finance and Economy said yesterday.

At present, the Korean companies are obliged to report to government agencies their imports of technology that are one year or longer in contract term and fall under four criteria.

The four conditions under which technology imports are subject to reporting are: royalty payment exceed \$300,000 in lump sum; starting payment of royalty exceed \$50,000 and are fixed at more than 3 percent of net sales thereafter; up-to-date technology entitled for tax reduction and exemption; and defense-related technology.

From April 6, however, all technology except for those connected with the three national security-related industries will be free from the mandatory reporting in disregard of the royalty amounts, ministry officials said.

The relaxed rules are designed to help facilitate the technology import and reduce confusion among importers stemming from uncertainty about which imports to report and which not to, they said.

As of 1994, there were 523 technology imports, about 430 of which were reported to government ministries, according to the ministry tally. Only 20 of them were related with the aerospace, nuclear and defense industries.

If 1994 figures are any guide, about 96 percent of obligatory reporting will become unnecessary under the new, eased rules, and will be handled by the foreign exchange banks, they said.

In fact, the obligatory reporting to the government of foreign technology imports has widely been used as a major tool of its industrial policy. By accepting the application for technology imports or not, the government has effectively controlled the entry into new industrial lines by large conglomerates, or chaebol.

"The government may have to 'develop' another policy tool regarding the businesses' entry to new markets but the technology import will have nothing to do with it," a senior ministry official said.

Out of the total 523 technology imports, 209 came from the United States, 168 from Japan, 135 from European nations and the remaining 11 from other countries. Seventy-four of them were related with patents, 15 with trademarks with the other 182 being up-to-date technology enjoying tax credits.

New People's Party Elects Kim Pok-tong Leader

SK2703130295 Seoul YONHAP in English 1204 GMT 27 Mar 95

[FBIS Transcribed Text] Seoul, March 27 (YONHAP)—The splinter New People's Party on Monday [27 March] afternoon selected Rep. Kim Pok-tong, a party supreme member, as new party head.

At a party convention held at Lotte World Hotel, the party also chose six supreme members and three permanent advisers.

The new supreme members were Yim Chun-won, Han Yong-su, Cho Chung-yon, Chong Sang-ku, Pak Yong-nok and Yi Pil-son. The three permanent advisers chosen were Kim Tong-kil, Pak Chang-chong and Yang Sun-chik.

The New People's Party had gone through a series of devastating intra-party disputes since it was born last July through merger between the United People's Party and the New Political Reform Party.

In the party head election, Kim Pok-tong drew 454 votes and Yang Sun-chik 440, both less than the simple majority of 474. Shortly before a runoff vote, Yang announced the withdrawal of his candidacy.

Initially five party officials ran for the party presidency, the five being Han Yong-su, Pak Han-sang and Chong Sang-ku in addition to the two.

Background of Personnel Action for Generals Noted

SK2703130695 Seoul CHOSON ILBO in Korean 26 Mar 95 p 5

[Article by reporter Son Tae-kyu]

[FBIS Translated Text] Defense Minister Yi Yang-ho's opinion is reportedly reflected exactly as he wanted in the 25 March personnel action on promotions to four-star general. Therefore, observers note that Yi, who is from the Air Force, succeeded in establishing a new mechanical balance among the three services of the Armed Forces through the first personnel action he involved himself in since the focus of the personnel action was not the selection of the Navy chief of staff or the two Army commanders, but the post of vice

chairman of the Joint Chiefs of Staff (JCS). In the case of the Navy chief of staff, there was little argument in selecting the two prominent candidates An Pyong-tae, chief of Naval Operations, and Kang Tok-tong, assistant vice chairman of the JCS, who are classmates from the 20th class of the Naval Academy. As for the Army commanders, there was also little doubt that Lt. Gens. O Yong-u and Cho song-tae would be chosen.

However, the selection of the vice chairman of the JCS was the focus of attention in the personnel action because the real power of this position is reinforced when the recent reorganization of the Defense Ministry, the JCS, and the armies reduced the JCS vice chairman's post from two to one. There were two plans competing keenly in selecting a general for this post—one horizontal transfer of the 2d Army commander Pak Se-hwan, who is from the Reserve Officers' Training Corps (ROTC) 1st class, and the other promoting Deputy Chief of Staff Kim Hyong-son, an old-time lieutenant general from the Military Academy. In the background of this competition was the opinion on giving consideration to the ROTC and the mood of the Army leadership.

However, to the surprise of observers, Defense Minister Yi made a third choice. He will appoint a three-star general instead of a four-star general to the post of vice chairman of the JCS, but keep the position vacant for the time being. As a result, the number of Army four-star generals was reduced from six to five.

It seems Defense Minister Yi must have anticipated a problem in choosing either plan. In particular, he may have wanted to secure independence in the personnel action by driving off the Army's influence. In Defense Minister Yi's decision, there seems to have been his sophisticated political decision to consider the Navy and the Air Force in the current structure of attaching excessive weight to the ground forces and to accommodate the public opinion that there are too many four-star generals in the Army.

Admiral Kang Tok-tong, who was a strong candidate for the post of Navy chief of staff, is reported to have dropped out from the selection because he is from South Kyongsang Province, as are both the Army and the Air Force chiefs of staff. His home town is Chungmu, South Kyongsang Province. In the personnel action, the regional distribution of the four-star generals changed from three from Seoul, three from North and South Chungchong Province, two from South Kyongsang Province, and one from North Kyongsang Province (total nine) to three from North and South Chungchong Province, two from Seoul, two from South Kyongsang Province, and one from North Cholla Province (eight). Chang Song, deputy commander of the ROK-U.S. Combined Forces; An Pyong-tae, would-be Navy chief of staff; and Cho Song-tae, would-be 2d Army commander, are from North and South Chungchong Province. Kim Tong-chin, chairman of the JCS, and To Il-kyu, 3d Army commander, are from Seoul; Yun Yong-nam, Army chief of

staff, and Kim Hong-nae, Air Force chief of staff, are from South Kyongsang Province; and O Yong-u, would-be 2d Army commander, is from North Cholla Province.

Another characteristic of the personnel action is that those from the 20th class of the Military Academy will fill the posts of commanders of all three Armies—1st, 2d, and 3d. That those from the same class of the Military Academy will monopolize the three Army commanders' posts without giving any share to a general from the ROTC is unprecedented; this is likely to be a cause of considerable complaint in the Armed Forces. The follow-up personnel action for lieutenant and major generals is expected to be finalized by the middle of April. Strong candidates for deputy Army chief of staff are Lt. Gens. L and C; for director of the Policy and Plans Office of the Defense Ministry is Lt. Gen. K; for director of the National Defense College are Lt. Gens. L and K; for Training Commander is Army corps commander K; and for the three Army corps commanders are Maj. Gens. J, Y, S, and O.

Army Successfully Test-Fires Short-Range Missile *SK2803020095 Seoul YONHAP in English 0150 GMT 28 Mar 95*

[FBIS Transcribed Text] Seoul, March 28 (YONHAP)—The South Korean Army has recently successfully testfired a short-range surface-to-air missile developed almost entirely with local technologies, a military source said Tuesday.

The launching pad of the missile, dubbed "Chonma," and defense acquisition radar were manufactured entirely from local technologies and materials while the guidance system was procured from foreign contractors, the source explained.

The Army will begin mass production of the missile in 1998 and plans to deploy some 140 missiles in Army units.

The missile was developed by the Agency for Defense Development (ADD) in cooperation with civilian defense contractors as a weapon designed to intercept low-flying enemy aircraft, the source said.

Chonma is expected to be used for defending tank units and air bases along with 30-millimeter anti-aircraft guns.

Dacom Plans To Develop WWW Service Technology

SK2603031795 Seoul THE KOREA HERALD in English 26 Mar 95 p 8

[FBIS Transcribed Text] Dacom said yesterday that it will develop WWW (world wide web) service technology in partnership with a U.S. telecom company.

WWW, which provides audio and video data through a multimedia information retrieval system, is one of Internet's most popular services.

Dacom and Spyglass Co., of the United States, will sign an accord Thursday transferring WWW-related technologies, a Dacom spokesman said.

Spyglass Co., which retains a patent on Mosaic, a WWW retrieval tool, is currently working with IBM, Digital, HP, EIS and Microsoft to establish standard WWW technology.

Dacom is scheduled to launch a next-generation Chollian service, equipped with multimedia functions, in September of this year.

"Dacom-developed WWW technologies will be applied to the Chollian network by June next year," said the spokesman, adding that WWW is also useful for the construction of the information superhighway.

Indonesia

U.S. Admiral Owens' IMET Remarks Reported

Officer Welcomes Comments

BK2803045595 Jakarta THE JAKARTA POST in English 18 Mar 95 p 2

[FBIS Transcribed Text] Jakarta (JP)—A senior defense official yesterday welcomed the gesture by a high ranking officer of the United States to revive the military training aid program for Indonesia, although he cast doubt on the probability given the sentiments in the U.S. Congress.

Maj. Gen. I Made Sadha A.R., the director general for materials, facilities, and services at the Ministry of Defense and Security, said that he believed that the U.S. military plan to revive the International Military Education [and] Training (IMET) program for Indonesian officers is likely to be blocked by U.S. Congress.

"We will be awaiting the Congress' reaction to the proposal," Sadha said during a meeting with the House of Representatives' Commission I dealing with security affairs.

Admiral Williams Owens, the vice chairman of the U.S. Joint Chiefs of Staff, who was in Jakarta early this week, said the U.S. military is keen to resume the IMET program for Indonesia because it is a crucial part of the military cooperation between the two countries.

Owens, who met with Vice President Try Sutrisno and a number of high-ranking Indonesian military officers, said that the U.S. military would like to see the IMET training for Indonesia stipulated in the 1996 U.S. Government budget which must be approved by U.S. Congress.

American political watchers say there is a better chance of the proposal being accepted by a Republican-dominated Congress, but it might face a veto from the Democrat administration of President Bill Clinton.

The IMET program for Indonesia was slashed in 1992 by Democrat-dominated Congress which alleged human rights abuses by the Indonesian military, particularly in the way it handled the East Timor affairs.

American Congress also managed to foil Indonesia's plan to purchase U.S.-made F-5 fighters from Jordan. Last year, U.S. Congress also restricted sales of small arms to Indonesia.

Following the cessation of the IMET program, Indonesia has been sending its officers for education and training to Australia.

Sadha said Indonesia and the United States have mutual interests in forging the military cooperation, including reviving the IMET program. "Military personnel of the

two countries will face certain difficulties in joint military exercises if they do not know one another," he said.

Although Indonesia has no joint military exercise program with the United States, their personnel often meet in international joint exercises such as at Kangaroo '95 that was held recently in Australia, he said.

Like Owens, Sadha said it was the spirit of the cooperation that mattered most because the size of the military aid under IMET is a minuscule \$2.5 million a year.

Sadha also said Indonesia would always welcome American offers to sell weapons but stressed that any sales must not carry political conditions.

Comments on Program

BK2803050495 Jakarta THE JAKARTA POST in English 17 Mar 95 p 2

[FBIS Transcribed Text] Jakarta (JP)—The second highest ranking officer of the United States military asserted yesterday his desire to resume a training program for Indonesian officers which was scratched by Congress in 1992 after alleging that Jakarta had violated human rights in East Timor.

Admiral William Owens, the Vice-Chairman of the Joint Chiefs of Staff, expressed his desire to revive the International Military and Education Training (IMET) fund to train Indonesian officers in the US.

The IMET program to Indonesia was cut by Congress following the 1991 Dili incident in East Timor when over 50 people were killed in clashes between demonstrators and security forces.

"From the military perspective, I am keen to proceed to find ways that we can re-establish IMET training, and to make it a piece of our growing military to military cooperation," Owens said.

Owens arrived in Wednesday to begin a five-day stay to discuss military issues of both mutual and regional concern.

Brig. Gen. [Brigadier General] Muddin Maaruf, a staff member of the Indonesian Armed Forces Commander present at the meeting said Owens could not guarantee the resumption of the program but pledged his support.

Owens later told journalists that he would "argue strongly for that funding in the 1996 budget."

The resumption of the program must be stipulated in the 1996 U.S. budget, which depends on Congressional consent. The 1996 budget begins on Oct 1, 1995.

"It's not so much the amount of money, it's the spirit under which the IMET training is done," Owens said.

Military ties between Jakarta and Washington have passed an arduous period in the past four years with Congress and the Senate also blocking the sale of F-15

fighters from Jordan to Indonesia and last year's restriction to sell small arms here.

In response, Jakarta has turned to other countries, and most notably the recent blossoming of military cooperation with Australia.

When asked on the possibility of selling U.S. military equipment to Indonesia, Owens said he was not here to sell American military equipment.

"That's the Indonesian military's decision," he said.

However, if such an interest was expressed, then Owens asserted the need for both sides to commit to become good partners.

On the U.S. military presence in the region, Owens emphasized that Washington would maintain 100,000 troops in the Asia-Pacific as a commitment to peace and stability. "We think that being here with our friends and allies in the Pacific, we can be an element of a stable environment."

"We recognize that our trade in America with this part of the world is growing and therefore, it is of great importance to us to realize stability in this region as a U.S. national interest as well as an interest to our allies in the region," he said.

He added that such a presence no longer needed the establishment of a large military base like Subic Bay in the Philippines, which was closed in 1992.

He said that modern military technology were easier to maintain.

"We have been able to find ways logistically, and from a maintenance perspective, to manage without a base like Subic Bay," Owens remarked.

Alatas on Claim to UNSC Seat, U.S. Aid

BK2703144795 Jakarta THE JAKARTA POST in English 24 Mar 95 p 2

[FBIS Transcribed Excerpt] JAKARTA (JP)—Indonesia declared on Wednesday that it meets the criteria to be considered for a permanent seat on an expanded United Nations Security Council [UNSC].

"If it gets to a point where we have to choose the developing countries to be selected, then we believe that Indonesia should be considered as a permanent member of the Security Council," said Foreign Minister Ali Alatas.

During a hearing at the House of Representatives late Wednesday evening, Alatas argued that Indonesia met the necessary criteria to earn a permanent seat, which include the ability to contribute to peacemaking, peacekeeping, and the maintenance of international stability. [passage omitted]

Indonesia, for the second time, is currently a non-permanent member of Council.

Developing countries argued that the Security Council's permanent membership is unbalanced and that it lacks their representation.

Though Indonesia remains in the forefront of such a cause, Alatas argued that in determining a new permanent member the criteria must not be divided along geographic lines alone.

He maintained that factors such as a country's economic potential, population size and record in promoting peace and to stability must be taken into consideration.

Alatas noted several potential regional candidates, such as India for Asia, Nigeria or Egypt for Africa and Brazil, Mexico or Argentina for Latin America. He added that Indonesia would be overlooked if regional representation were the sole criterion.

"If need be, why not two (countries) from Asia? It's not necessarily that the first candidate from Africa and Latin America is better than the second country from Asia," Alatas contended.

Though Alatas' statement was not a formal announcement of Indonesia's candidacy, this is the first time Jakarta has voiced its interest in the position.

"We know our place, we are not like other countries who say that we should be selected as a permanent member. That's not our style," Alatas said. [passage omitted]

When asked by legislators on Washington's apparent move to re-establish the International Military Education and Training (IMET) program, Alatas described that the United States' decision in 1992 to cancel the program as "a most unproductive thing."

The U.S. canceled the IMET program for Indonesian officers following the 1991 Dili incident when 60 people were killed in clashes between security personnel and demonstrators.

During a recent visit here, the vice Chairman of the U.S. Joint Chiefs of Staff Admiral William Owens expressed Washington's desire to re-establish the two million dollar program.

According to Alatas the decision to cancel IMET was a mistake and only served as an unnecessary irritation point.

He stressed that Jakarta would not go out asking for the resumption of IMET. If the U.S. decides to resume the program, he said, that would be Washington's prerogative.

Minister: Jakarta Must Implement WTO Provisions

BK2703055795 Jakarta THE JAKARTA POST in English 20 Mar 95 p 1

[FBIS Transcribed Text] Jakarta (JP)—Coordinating Minister of Trade and Industry Hartarto said last night

that Indonesia must implement all the provisions in the new General Agreement on Tariffs and Trade (GATT) in order to reap as many benefits as possible from the agreement.

Hartarto noted that Indonesia could benefit greatly from the new global trade pact under the World Trade Organization (WTO) due to the opening of markets in other countries.

"The real benefit, though, will depend on how well Indonesia taps the new opportunities in the international market," Hartarto told 100 senior executives of more than 60 international companies attending the third roundtable with Indonesian Government leaders.

The two-day roundtable, which will be opened by Vice President Try Sutrisno today, is organized by the Economist Conference with Business Advisory Strategies and P.T. [Company Limited] Aspecindo Kreasi.

The first government roundtable meeting was held in 1968 and the second in 1993.

He said the private sector must be more aggressive when seizing opportunities coming from GATT, which was implemented by the WTO early this year.

"The government commits itself to maintaining political and economic stability and continuing deregulation programs," Hartarto said.

In addition to the WTO, Indonesia is undertaking a market-driven economy through regional trade liberalization in the Asia-Pacific Economic Cooperation (APEC) forum and the Association of Southeast Asian Nations (ASEAN).

At their meeting in Bogor last November, APEC leaders agreed to liberalize trade and investment in the region by 2010 for developed members and by 2020 for developing members.

ASEAN has also agreed to accelerate the implementation of the ASEAN Free Trade Area (AFTA) from 15 years to 10 years or by the year 2003.

In 2003, tariffs for industrial products will be brought to between 0 and 5 percent and non-tariffs barriers will be eliminated. It is expected that this arrangement will increase intra-ASEAN trade. Preliminary trade statistics for 1994 already indicate a 1.6 percent increase in intra-ASEAN trade.

Hartarto said the seven-year grace period between the two trade agreement schedules is sufficient time for the ASEAN countries to prepare themselves to face the liberalization pursued by APEC.

"Scope and modalities for free trade in APEC will be formulated in the APEC meeting in Japan this year. Indonesia will ensure that its national needs will be cared for," Hartarto told last night's gathering.

Eight ministers are scheduled to give presentations at the meeting. They are Minister of Tourism, Post, and Telecommunications Joop Ave, Minister of Trade Satrio B. Yudono, Minister of Manpower Abdul Latief, Minister of Public Works Radinal Mokhtar, Minister of Industry Tunky Ariwibowo, Minister of Mines and Energy I.B. Sudjana, and Hartarto. [sentence as published]

Article Discusses Leadership Succession

BK2603131195 Singapore BUSINESS TIMES
(INSTITUTE OF SOUTHEAST ASIAN STUDIES
TRENDS Supplement) in English 25-26 Mar 95 p IV

[Article by Afan Gaffar, chairman of the Department of Government at Gajah Mada University in Yogyakarta: "Indonesia Sets Tone for 1998"]

[FBIS Transcribed Text] Have there been any interesting developments in Indonesian politics in recent years? President Suharto is still in full control after he was re-elected in March 1993 and after handpicking Harmoko, Minister of Information, to be the Chairman of Golkar [Functional Group]—the governing party that has been an instrument for political mobilisation.

Suharto has also not loosened his grip on the military. As supreme commander of the armed forces, he is the only person who determines the whole process of recruitment within the military. Other institutions, such as the parliament, do not have anything to say about who is going to be the commander of the Armed Forces of the Republic of Indonesia (ABRI). That is how the system works.

Nevertheless, no one can really comprehend Indonesian politics completely because sometimes the President can make any change whenever he wants. The change in the army chief of staff is a case in point: General Wismoyo Arismunandar was replaced by General Raden Hartono, the former chief of the social and political affairs division of ABRI headquarters. What are the political implications of this kind of change? The answer is simple: they set the tone for 1998 when Suharto will make the last critical decision as to whether he will remain in power until the year of 2003 or prepare for a smooth transition towards a post-Suharto era.

When General Wismoyo Arismunandar was appointed army chief of staff, everybody predicted that he would be the one who would replace Armed Forces Commander General Feisal Tanjung because Feisal was about to retire in 1994. The President, though, made an unprecedented move by renewing his term indefinitely. Usually, he would give a one-year extension to the joint chief of the armed forces and chief of staff of the army if both reach the age of 55; such was the case for generals such as Benny Murdani, Try Sutrisno, and Eddy Sudrajad.

Wismoyo is a very flamboyant army officer. Whenever he visits his troops, he is received with full fanfare. He is the brother-in-law of Mrs Suharto and, therefore, the people believe he is the logical choice to replace Feisal

Tanjung. But Suharto is a genius when he selects people around him. Instead of promoting Wismoyo, he appointed General Hartono, an officer from East Java who is also very popular among the Muslims. But why Hartono?

There are two principal reasons why the President chose Hartono. First is the growing influence of B.J. Habibie, Minister for Research and Technology, who also holds about 30 other political and economic positions. Currently, in Indonesia, there is a common perception regarding the growing influence of "the 3H", that is, Habibie, Hartono, and Harmoko. All of them are close to the Islamic political community. Habibie is the Chairman of the Indonesian Islamic Intellectual Association (ICMI), the organisation supported by almost all Islamic intellectuals, except Abdurahman Wahid, the controversial Nahdlatul Ulama leader. Harmoko is the Chairman of Golkar, and is at the same time also adviser to ICMI. Every Ramadan, the Muslim fasting month, Harmoko visits Islamic traditional boarding schools (pesantren). This year, for example, he travelled from West to East Kalimantan and conducted dialogues with people who have never been visited by bureaucrats from Jakarta.

Secondly, Suharto needs the Islamic political community to mobilise support for his five-year term as well as to continue his economic and political policies when he is no longer in power.

Since 1993, the people of Indonesia have been entrapped by the debate as to whether there will be a succession or not. Dr Muhammad Amien Rais, Chairman of the Muhammadiyah Islamic organisation, has insisted that a succession in 1998 is a must. He has given several reasons. One is that Suharto has been in power for a very long time and, as such, Indonesia needs a new person with a new vision. Another is that Suharto will be 78 in 1998, and will be too old to continue as President.

Various groups, especially political activists and students, have supported the idea of succession. They share several of Amien Rais' arguments. Nevertheless, the people from the establishment, such as bureaucrats and the Golkar elite, do not like the idea of succession. For them, it is too early to talk about succession while the President is still in office.

It is interesting to note that over the last five years, Suharto has been able to broaden his political support within the Islamic political community. The reason is simple: Suharto's policy towards Islam is very accommodative. He has provided assistance to all Islamic organisations and Islamic schools throughout the country by building hundreds of mosques and Islamic facilities through special foundations. The popular image of Islam in the past as being "right wing extremist" no longer exists. Therefore, Lukman Harun, the most outspoken Islamic activist and the former Vice-Chairman of the Muhammadiyah movement once even insisted that Muhammadiyah should support Suharto to become President for life.

From this perspective, one would expect that the prospect of succession in Indonesia in 1998 is very small so long as Suharto is still in good health. He has already made preparations by appointing Harmoko as Chairman of Golkar and he has also selected generals he really trusts, such as Feisal Tanjung and Hartono, who are strongly supported by the Islamic community in the country. The likelihood, therefore, is that Suharto will stay in power until 2003.

Philippines

Three More PRC 'Structures' Found on Spratlys

BK2803075395 *Quezon City MALAYA in English*
25 Mar 95 p 2

[FBIS Transcribed Text] Military authorities yesterday discovered three more structures built by Mainland China in the disputed Spratly Islands.

Lt. Gen. Alfredo Filler, deputy chief of staff of the Armed Forces of the Philippines, said patrolling military men found a skeletal metal frame at the Pennsylvania Reef while two barrel-typed markers were seen at the 1st and 2nd Thomas Shoal.

Filler said the three structures recently built by Chinese were located within the area near the Mischief Reef, one of the islands being claimed by the Philippines.

Filler added the structures and markers were not among those demolished earlier by the military on orders of Gen. Arturo Enrile, AFP [Armed Forces of the Philippines] chief of staff.

Earlier, the military started demolishing newly discovered structures built by Chinese troops in Jackson Atoll, Half-Moon Reef, and Sabina Reef, which are just 70 nautical miles west of Palawan.

The Senate committee on foreign relations backed the dismantling of the Chinese structures. Sen. Blas Ople (Laban [Party]), who chairs the panel, said China should not take the move as "a provocation to conflict."

Police on Alert Over Terrorist Threats in Makati

BK2803021695 *Quezon City GMA-7 Radio-Television Arts Network in Tagalog* 2230 GMT 27 Mar 95

[FBIS Translated Text] The Makati police and NCRC [expansion unknown]-PNP [Philippine National Police] Southern Command have been placed on alert in view of the threats by the Alex Boncayao Brigade [ABB] that they will continue with their disruptive activities for the cause of Flor Contemplacion [maid executed in Singapore]. Earlier, the ABB bombed the offices of Singapore Airlines and the DFA [Department of Foreign Affairs]. According to ABB spokesman Marcial Jacinto, they will not stop until they have punished the people who were negligent in handling Flor's case.

Meanwhile, a militant group condemned the bombing of the DFA and Singapore Airlines offices. According to Amante Jimenez Junior, national chairman of League of Filipino Students, these acts by the ABB will sabotage the government's program to send OCW's [Overseas Contract Workers] abroad. The League of Filipino Students has called on other groups to join in condemning the armed provocation of the ABB.

Thailand

Krasae Plans 'Unofficial Visit' to Burma

BK2503094395 Bangkok BANGKOK POST in English
25 Mar 95 p 7

[FBIS Transcribed Text] Foreign Minister Krasae Chanawong is shortly to make an unofficial visit to Burma for talks on border problems and economic ties.

Speaking to reporters after inspecting the border situation in Mae Sai district, Dr Krasae confirmed he will visit Burma in his capacity as Foreign Minister.

He said the trip is designed to look at the facts and to hold discussions with senior local Burmese officials concerning the problems along the Thai border.

"The border problems which I have learned about on Thai soil, will be brought into a joint discussion with local Burmese representatives. Any problems or misunderstandings can be cleared up.

"I will take the opportunity to listen to accounts of Burma's problems, its views and its objections, so that jointly we can work on resolving them," he said.

Dr Krasae said if he gets the opportunity to meet representatives of the ruling junta, he will bring up all key issues, particularly the problems in the Chiang Rai border area and in other northern provinces of Thailand which share a border with Burma.

Particular attention will be paid to certain border areas which are important economic zones for both countries, Dr Krasae said.

"A decision may not be effective unless the correct facts are discussed jointly," he said.

Dr Krasae said he takes the view that Burmese problems are internal matters and local affairs which might not adversely affect overall government policy, and he is optimistic that the tense border situation will ease.

"Although internal conflicts may not disappear entirely, we are confident that there will be fewer heavy clashes," Dr Krasae said.

A border source said Burmese officials have not been able to ensure the foreign minister's complete safety if he plans to visit Tachilek.

This is apparently after former Deputy Transport and Communications Minister Charat Phuachuai and his

team were once barred by heavily-armed Wa United State Army troops from passing along the Tachilek and Kengtung routes towards southern China.

That incident caused the Burmese government to lose face, the source said.

"Local Burmese officials do not want to take responsibility if something happens during the foreign minister's trip to Tachilek, as it is not an official visit," said a high-ranking official of Mae Sai district.

"But our local officials are able to provide solid confirmation that no problems will occur and the minister's request can be complied with," he said.

If the minister wants to make an official visit to Burma, he will do so via Rangoon, the source said.

After inspecting the current situation along the Mae Sai district border, Dr Krasae said he was confident that problems will not occur if he visits Burma via this route.

Regarding trading in Mae Sai, Dr Krasae said he will consult local officials to work on measures to resolve the negative impact on the economy and tourism.

The foreign minister said he will propose the setting up of a night bazaar in Mae Sai district to revive local trade and tourism.

Ministry Rules Out U.S. Firm Joining AIJV

BK2703053995 Bangkok BANGKOK POST in English
27 Mar 95 p 21

[Report by Chatrudi Thepharat and Wichit Sirithawiphon]

[FBIS Transcribed Text] Thailand has decided not to join with Procter and Gamble Co [P and G], the giant US consumer products company, in investing in the ASEAN bloc under the ASEAN Industrial Joint Venture [AIJV] scheme.

P and G's proposal runs counter to Thailand's efforts to reduce its import taxes in accordance with the ASEAN Free Trade Area [AFTA], said an Industry Ministry source.

If Thailand were to participate in the project under AIJV, it would have to cut its import tax by 90 per cent on P and G goods manufactured by other ASEAN members. But the source believes such an approach would discriminate against newcomers and violate free-trade principles.

Perks gained by companies under AIJV last for four years while under AFTA, member countries must reduce taxes gradually and continuously.

AIJV is aimed at encouraging private investment and facilitating intra-ASEAN trade by allowing countries to collaborate among themselves or team up with foreigners.

P and G had expressed interest in joining the AIJV scheme by investing in the Philippines, Singapore, Indonesia and Thailand.

The source said Thailand expressed its reservations about the proposal at the ASEAN senior economic officials' meeting in Brunei two weeks ago.

Thailand maintained that tax reductions under AIJV were not in line with AFTA and the markets of the participating countries were too small.

P and G proposed to invest five billion baht in four countries over a five-year period.

The largest share of that investment—1.5 billion baht—would go to manufacture detergent and soap in Thailand.

The company would invest 750 million to one billion baht in the Philippines on shampoo hair-conditioner and diaper factories.

A similar sum would be invested in Malaysia in plants manufacturing soaps and fatty acids for use in toilet cleaners. About 500 million baht would be invested in Indonesia to produce paracetamol. The remaining one billion baht would be invested in cosmetics in Singapore.

So far, only Singapore and the Philippines have given P and G a green light to construct plants. The ministry source said Manila approved the proposal because it did not pose any difficulties under the Philippines' tax structure.

As well, there is a high demand for diapers and hair-conditioners in the Philippines which cannot be met by local producers.

The source said the company's investment in the Philippines would be successful because of high demand. However, having only two participating countries would not sustain the AIJV plan.

The source said Thailand's participation in the P and G scheme would hamper local consumer goods manufacturers, who have told the Industry Ministry that they oppose the idea.

If P and G wants to invest in ASEAN, it should opt for normal investment channels, the source said.

ASEAN is now considering how to bring AIJV projects under the normal AFTA tax-cutting regime. Consequently Thailand will not consider proposals from new AIJV applicants.

Under AFTA, Thailand intends to cut its import tax on goods from ASEAN members to an average of 20 per cent by 1998. By 2003, import taxes throughout the ASEAN bloc will be reduced to less than 5 per cent.

Official Urges Free Labor Movement in ASEAN

*BK2503102295 Bangkok THE NATION in English
25 Mar 95 p A 1*

[FBIS Transcribed Text] The labour dispute between Singapore and the Philippines stemming from the

hanging of a maid has prompted Thailand to call for a free labour movement agreement between members of the Association of Southeast Asian Nations (Asean), said Deputy Prime Minister Suphachai Phanitchaphak.

"The lack of labour regulations among the six Asean nations sometimes creates tension," said Suphachai yesterday.

Asean leaders should recognize that free labour movement among members is natural and then decide how movement should be opened up, streamlined and how regulations should be established in areas such as labour protection, Suphachai added.

An agreement on labour movement would be part of Thailand's proposal to expand cooperation in Asean beyond the Asean Free Trade Area (Afta), he said.

"Currently, only the Asean private sector plays an important role in the unregulated labour market," said Suphachai.

Suphachai will raise the question of creating a common market among Asean members at the informal Asean economic minister's meeting in late April in Phuket.

The common market will incorporate many aspects of economic cooperation including goods, capital, services and labour.

Suphachai does not believe the hanging of a Filipino maid by Singapore will harm Asean economic cooperation.

A meeting of the Asean Chamber of Commerce and Industry (Asean CCI) scheduled for April 5 in the Philippines has been postponed because of this problem, but that was a private sector decision, Suphachai said. At government level there is no problem, he added.

"We hope that public sentiment in the Philippines returns to normal soon, he said.

Asean is a strong institution and past bilateral disputes did not erode the spirit of cooperation, asserted Suphachai.

Suphachai said that the dispute between Singapore and the Philippines is a political issue and will be solved by diplomacy.

Copyright Law Raises Comic Book, Novel Prices

*BK2703061395 Bangkok BANGKOK POST in English
27 Mar 95 p 21*

[Report by Somphon Thapanachai]

[FBIS Transcribed Text] The prices of cartoons and novels translated into Thai will soon increase by 10 per cent partly owing to the new copyright law, as publishers must pay to acquire legal rights to the works.

Wiriya Sirisingha, president of the Thai Publishers' and Book Distributors' Association said at the weekend he

would not attribute the price rises entirely to copyright fees. Production costs including the prices of paper, ink, labour marketing and administration have increased.

Members of his association publish cartoons, novels, textbooks and features worth about a billion baht per year.

Under the copyright law, 20 per cent of those now publishing cartoons illegally will acquire legal rights to the strips. Only about 40 per cent of cartoons are now published legally and the rest are illegal copies, according to Mr Wiriya.

About 10 new stories come on the market everyday, each involving publication of 3,000-8,000 copies. Copyright fees in Asia are about 6 percent of the value of publication for a minimum of 3,000 copies, compared with 7-15 percent in the United States and Europe.

Japan is the source of 80 percent of cartoons translated into Thai with the balance from the US and elsewhere.

"There will be a reduction in the number of new cartoons entering the Thai market because representatives of foreign publishers who own the copyrights are in Thailand monitoring the situation," Mr Wiriya said.

Cases of infringement involving stories in the cartoon form and novels have increased in recent months since copyright owners became aware of book piracy in Thailand.

Since Thailand registers the highest growth in Asia in terms of book imports, foreign publishers are keeping an eye on this market, according to Mr Wiriya.

Small publishers, who account for 40 per cent of the 280 publishers, are in a difficult situation because most of them publish romantic novels translated into Thai without paying royalties to the owners of the copyrights.

These small publishers need to acquire copyright licences in order to be able to publish foreign novels legally, but most of them are unable to deal with the situation. As a result, several such publishers have suspended their operations while waiting to complete the legal process.

Translators may also be affected by the new law. They normally get 10 per cent of the value of the publication since publishers treat them as copyright owners. But under the new law, the copyright fees must be divided between the actual owners and the translators.

With the entry of foreign representatives, publishers will adopt international standards and make a once-only payments to translators on completion of the translation, according to Thanong Chotisorayut, managing director of SE-Education Plc.

Small publishers should study how to get copyright licences legally by looking at standard contracts drafted by publishers and legal experts at the Intellectual Property Department, he said.

Publishers, writers and translators need to understand how to transfer the right from owner to publisher, how many copies will be allowed and how to pay the fees and meet other conditions.

"There are many details which every party needs to understand in order to avoid conflict after the agreement has been signed," Mr Thanong said.

Mr Wiriya is worried that readers will react negatively to the price increases, refuse to buy new books and turn to public libraries instead.

He sees bright prospects for books for children because the Government has set aside 100 million baht for libraries all over the country to buy books for youngsters.

Vietnam

Austrian President Klestil Pays Official Visit

Radio Previews Visit

BK2503162495 Hanoi Voice of Vietnam in English
1000 GMT 24 Mar 95

[FBIS Transcribed Text] The Austrian president, Dr. Thomas Klestil will soon visit Vietnam. It is expected that talks will highlight measures to promote cooperation between the two countries. Austrian businessmen in Vietnam are encouraged by the forthcoming visit, as one of the most [word indistinct] activity undertaken by Austrian businessmen in Vietnam is oil exploration. That was undertaken by the OMV Company. Following is a report on OMV activity in Vietnam.

OMV has signed a shared contract with Vietnam Petro [name as heard] on oil exploration of blocs covering over 8,000 square kilometers. Although activity started only about a year ago, the OMV has carried out its work at a quick and stable tempo. Mr. (Hudsein), general manager of the OMV, said that unlike other oil companies, his company was the first to handle all geographical and geophysical data from its Hanoi office, and OMV is one of the few companies that carry out technical appraisal work within Vietnam when projects are established.

On the current visit to Vietnam by the Austrian president, Mr. (Hudsein) said that he and his colleagues are waiting for the moment with much anticipation. To him, relations between the two countries have seen strong development. The president's visit will open up a new period for cooperative relations.

Explain why so far the OMV Company has only entered the Vietnamese market, Mr. (Hudsein) said it was Austrian tradition to center business activity in Europe. However, he believed that following President Thomas Klistel's visit, many more Austrian companies would come to Vietnam. Accompanying the president will be many Austrian businessmen. They will investigate the Vietnam market and lay foundation for future cooperation.

Trade Ties Reviewed

BK2703053595 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 24 Mar 95

[FBIS Translated Excerpt] [Passage omitted] Vietnam established diplomatic relations with Austria in 1972, but the relations between the two countries only genuinely developed in the 1990's. Austria is among the countries that have helped Vietnam settle its debts with the International Monetary Fund and, thus, has created conditions for the development of our relations with international financial organizations. Austria also voluntarily delayed the deadline of Vietnam's debt so the country could comfortably go ahead with its renovation of the economy.

Since early last year, many Austrian delegations paid visits to Vietnam. The delegation of the Foreign Minister Viktor Klima [title and name as heard] was followed by the delegations of the secretary general of the Foreign Ministry and chairman of the chamber of economics of the Republic of Austria.

Trade relations between us and Austria is not very large at present. Annual trade value is about \$30 million, including \$20 million of Vietnam's export to Austria of textile and clothing products. We import from Austria about \$10 million a year in industrial and agricultural equipment. In investment cooperation, many Austrian companies have come to study investment opportunities and Vietnam has licensed Austria's OMV Company to prospect oil and gas in Lot No. 104.

The Austrian side also is helping the Ministry of Agriculture and Food Industry to restore tractors formerly imported from Austria, and some other projects in transport and communications.

The visit of Austrian President Klestil is considered a new step in the development of the Vietnam-Austria relationship. During the visit, the two countries will sign agreements regarding investment encouragement and protection, aviation transport, cargo transport, railway development, and so forth. The two sides will also set up a joint working group to discuss potential cooperation.

We hope that the 50 Austrian businessmen accompanying the Austrian president for the visit will find places in which they can safely invest and develop.

NHAN DAN Praises Visit

BK2603073295 Hanoi VNA in English 1225 GMT 25 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 25—The national daily NHAN DAN editorially praised the Vietnam visit by Austrian President Thomas Klestil scheduled today as a new page in the history of the relations between the two countries.

The paper in an editorial continues: Nowadays the Vietnam-Austria friendship and cooperation have ever

brighter prospects for strong development since the establishment of their diplomatic relations in 1972 when the Vietnamese people were fighting for national reunification. In recent years, the Austrian Government sent various high-level delegations and businessmen to Vietnam. It also helped Vietnam in paying debts to financial international organizations and foreign countries, and in personnel training and rescheduling debts for Vietnam. 'Austria's policy to enhance its friendly and cooperative relations with Vietnam is in line with Vietnam's open-door policy and its desire to befriend with all nations for national development, and for peace, stability and development in the Asian-Pacific region,' the paper concludes. During the three-day visit, the first by an Austrian president, the focus will be on the promotion of bilateral cooperation and friendly relations.

President Klestil is scheduled for talks with his host President Le Duc Anh, a meeting with Communist Party General Secretary Do Muoi, as well as a reception held by Prime Minister Vo Van Kiet.

A number of bilateral cooperation agreements are due to be signed on topics including an agreement on invested capital protection, an agreement on air freight transportation, and an agreement on railway development in Vietnam.

Klestil Arrives, Meets Le Duc Anh

BK2603120895 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 25 Mar 95

[FBIS Translated Text] His Excellency Thomas Klestil, president of the Republic of Austria, arrived in Hanoi this afternoon for an official friendship visit to our country. Nguyen Viet Dung, chief of the Office of the President of the State, and Deputy Foreign Minister Nguyen Dy Nien were present at the Noi Bai International Airport to welcome His Excellency the Austrian president.

An official welcoming ceremony was solemnly organized at the Presidential Palace Square. Attending the welcoming ceremony were President of the State Le Duc Anh, Deputy Prime Minister Tran Duc Luong, many high-ranking Vietnamese state officials, and representatives of the diplomatic corps and international organizations in Hanoi.

At 1350 sharp, the motorcade escorting President Thomas Klestil arrived at the Presidential Palace. A group of Hanoi ladies wearing traditional Vietnamese ao dai presented fresh bouquets to the Austrian president as an indication of the Hanoi people's hospitality.

President Le Duc Anh warmly welcomed President Thomas Klestil and invited him to step on to the honorary stand while the military band played the national anthems of the two countries. After the two presidents reviewed the guard of honor of the Vietnam People's Army [VPA], President Le Duc Anh introduced

President Thomas Klestil to the Vietnamese officials and members of the diplomatic corps present at the welcoming ceremony.

After the official welcoming ceremony, President Le Duc Anh received President Thomas Klestil at the Presidential Guest House. President Le Duc Anh welcomed the Austrian president to Vietnam and wished his visit success. His Excellency President Thomas Klestil thanked President Le Duc Anh and expressed confidence in the success of his Vietnam visit.

President Le Duc Anh will hold talks with His Excellency Austrian President Thomas Klestil at the Presidential Palace this afternoon.

Klestil Meets With Le Duc Anh

BK2603070995 Hanoi VNA in English 1520 GMT 25 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 26—President Le Duc Anh and his visiting Austrian counterpart Dr. Thomas Klestil headed the two countries' delegations at official talks here this afternoon. Mr Klestil, accompanied by more than 50 Austrian businessmen and two cabinet ministers, arrived here today beginning a three-day visit to Vietnam. At the talks, President Le Duc Anh welcomed the visit as an event of great importance in the Vietnam-Austria relationship, and indicated the Austrian Government and business circle's interest in Vietnam's current renovation process, aimed at promoting their multi-faceted cooperation in the interests of the two nations and in conformity with the trend for peace and cooperation in the world. The Vietnamese president expressed his pleasure at the encouraging development of the bilateral relationship. He affirmed that Vietnam would create favourable conditions for Austrian businesses to operate in Vietnam. For his part, the Austrian president spoke highly of Vietnam's important achievements in its renovation process as well as in external relations activities. He welcomed Vietnam's participation in ASEAN and policy to integrate into regional and international community. President Klestil stressed that Austria attaches importance to promote relations with Vietnam. He said Austria was ready to share its experience with Vietnam in the fields of metallurgy, machinery manufacture, transportation, energy, environmental protection, and it will help Vietnam in modernizing hospitals and universities. The two presidents also exchanged views on regional and international issues of common concern. In his dinner speech President Anh said he was very pleased at the results of the recent talks which show the two sides' determination to further promote their ties of friendship and cooperation. He said he believed that the Austrian delegation's visit with fine results of working sessions and with agreements scheduled to be signed would usher in a new period of effective bilateral cooperation. In a reply speech, the Austrian president said among other thing that Austria welcomed Vietnam's renovation and its positive impacts. He said he hoped that Vietnam would

continue to gain greater success in this path and would effectively seize opportunities for its future. During the visit the two countries plan to sign five agreements to cover cooperation in railways, aviation and public health, as well as investment protection and establishment of a joint committee on trade promotion.

Le Duc Anh Hosts Reception

BK2603140095 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 25 Mar 95

[FBIS Translated Text] President of the State Le Duc Anh gave a grand reception this evening at the Presidential Palace in honor of Austrian President Thomas Klestil and the other distinguished Austrian guests now on an official friendship visit to our country. Also attending the reception were Deputy Prime Minister Tran Duc Luong; Foreign Minister Nguyen Manh Cam; Nguyen Viet Dung, chief of the Office of the President of the State; and a number of high-ranking Vietnamese officials.

Speaking at the reception, President of the State Le Duc Anh warmly welcomed President Thomas Klestil, the first Austrian president to visit Vietnam, regarding the visit as an important landmark in the relations between the two countries and a turning point in bilateral cooperation. President Le Duc Anh expressed satisfaction at the results of his talks with President Thomas Klestil, in which both sides discussed practical and useful issues in an atmosphere of sincerity and mutual trust, thus reflecting the determination of the two countries to promote friendship and cooperation as a basis for development. President Le Duc Anh believed President Thomas Klestil's Vietnam visit would usher in a new period of bilateral cooperation and contribute to the cause of peace and development in the world.

In his reply speech, President Thomas Klestil thanked President Le Duc Anh for his fine sentiments toward him, his entourage, and his country. He said he was pleased to be the first Austrian president to visit Vietnam and thanked the Vietnamese people for their hospitality. He was confident that his Vietnam visit would contribute to strengthening bilateral relations. He emphasized that the presence of a large of number of Austrian business people in the delegation was a manifestation of Austria's desire to promote relations with Vietnam. Vietnam and Austria are geographically apart, but the Austrian people are well aware of the Vietnamese people's past struggle and know that that struggle cannot be effaced from mankind's history.

President Thomas Klestil pointed out that Austria was very interested in the renovation process in Vietnam and that it was encouraging to note that Vietnam has begun to enter a new era of progression and development. Austria will do all it can to assist and cooperate with Vietnam in making those objectives come true.

Following the reception, President Le Duc Anh, President Thomas Klestil, and the other guests watched an

artistic performance imbued with the national traits presented by Vietnamese artists.

Meets Vo Van Kiet, Do Muoi

BK2603134495 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 26 Mar 95

[FBIS Translated Text] This afternoon at the Presidential Palace, Austrian President Thomas Klestil cordially received Prime Minister Vo Van Kiet, who paid him a courtesy call. On behalf of the Vietnamese Government, Prime Minister Vo Van Kiet warmly welcomed President Thomas Klestil to Vietnam and asserted that the visit marked a new step of development in bilateral relations. President Thomas Klestil and the other Austrian guests also toured the Duc Giang Garment-Making Company this afternoon.

This morning, the Austrian president paid a floral tribute to President Ho Chi Minh at his mausoleum and visited the late president's residence and office. President Thomas Klestil and the Austrian businessmen also had a working session with the State Committee for Cooperation and Investment [SCCI].

Party General Secretary Do Muoi cordially received President Thomas Klestil at 1700 this afternoon.

Four Agreements Signed 27 Mar

BK2703161995 Hanoi VNA in English 1411 GMT 27 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 27—Vietnam and Austria signed here today four agreements covering investment protection, aviation transportation, railways, and establishment of a joint working group on trade and economic cooperation. The signing ceremonies were witnessed by state President Le Duc Anh and his visiting Austrian counterpart, Dr. Thomas Klestil, who held in Hanoi this morning a press conference on the results of his current visit to Vietnam. The Austrian

president highly appreciated the important achievements recorded by the Vietnamese people in their renovation process and national construction, describing them as [word indistinct] start of important significance for Vietnam. He and his 80-member entourage believed it important to promote bilateral trade and economic cooperative ties with Vietnam. In the immediate time, the Austrian leader affirmed, the two countries would cooperate in railways, public health care, aviation, and others. Austria is ready to establish commercial and economic ties with production units in Vietnam the Austrian leader said, adding that Austria would establish its embassy in Hanoi in early 1996. [Words indistinct] transportation, railway, and establishment of a joint working group on trade and economic cooperation.

In talks held here this morning with visiting Austrian Foreign Minister Alois Mock, Foreign Minister Nguyen Manh Cam affirmed that Austrian president's visit to Vietnam marked a new period in the cooperative and friendly relations between the two countries, meeting the interest of the two peoples, of peace, cooperation and development in the region and in the world.

Mr. Cam also renewed Vietnam's wish to promote cooperation with Austria in all fields, especially in such fields that Austria has strength as metallurgy, mechanical engineering, education and training, tourism, and environmental protection.

Minister Alois Mock, for his part, said that Austria attached great importance to relations with Asia-Pacific countries in general and Southeast Asian countries in particular, including Vietnam. He also welcomed Vietnam's decision to join ASEAN, and its policy to integrate into the regional and international communities.

Austrian president and his party left here later today for Ho Chi Minh City on their way home. They were seen off by President Le Duc Anh, Deputy Prime Minister Tran Duc Luong, Foreign Minister Nguyen Manh Cam, and others.

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